



**24<sup>th</sup> ANNUAL REPORT**  
**2013-2014**



## MAZDA LIMITED

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### **BOARD OF DIRECTORS:**

Dr. NANALAL C. MEHTA, Chairman  
(Resigned w.e.f 29/05/2014)

SORAB R. MODY, Managing Director

SAMUEL W. CROLL- III

DADY K. CONTRACTOR  
(Resigned w.e.f 27/05/2014)

MOHIB N. KHERICHA

SHEILA S. MODY

HOUTOXI F. CONTRACTOR

HARBHAJANSINGH B. KHALSA  
(Resigned w.e.f 29/05/2014)

PERCY X. AVARI, Whole-Time Director

SHANAYA MODY KHATUA, Whole-Time Director

NILESH C. MANKIWALA  
(Appointed w.e.f. 29/07/2014 as an Additional Director)

SAURIN V. PALKHIWALA  
(Appointed w.e.f. 29/07/2014 as an Additional Director)

### **CHIEF FINANCIAL OFFICER:**

CYRUS J. BHAGWAGAR

### **COMPANY SECRETARY**

NISHITH C. KAYASTH

**CIN : L29120GJ1990PLC014293**

### **REGISTERED OFFICE:**

C/1-39/13/16, GIDC, Naroda,  
Ahmedabad- 382 330

### **BANKERS:**

#### **State Bank of India**

Overseas Branch,  
3<sup>rd</sup> floor, Amrit Jayanti Bhavan, Navjivan P.O.,  
B/h Gujarat Vidhyapith,  
Ahmedabad- 380 014.

### **AUDITORS:**

#### **Apaji Amin & Co., Chartered Accountants**

304, Akansha Building,  
Near Mount Carmel School,  
Navrangpura, Ahmedabad- 380 009.

### **SHARES LISTED AT:**

#### **Ahmedabad Stock Exchange Limited**

Kamdhenu Complex,  
Panjarapole, Ambawadi,  
Ahmedabad- 380 015  
(Company Code- 36100)

#### **Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001  
(Company Code- 523792)

### **REGISTRAR & SHARE TRANSFER AGENT:**

#### **Sharepro Services (India) Pvt. Ltd.**

13-AB, Samhita Warehousing Complex,  
Sakinaka Tel. Exch. Lane, Andheri Kurla Road,  
Sakinaka, Mumbai- 400 072.



## NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of members of Mazda Limited will be held at the Registered Office of the Company at C/1-39/13/16 GIDC, Naroda, Ahmedabad-382 330, on **Tuesday, 30<sup>th</sup> September, 2014 at 09.30 a.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the company for the year ended 31<sup>st</sup> March, 2014 including the audited Balance Sheet as at 31<sup>st</sup> March, 2014, the statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended on 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Mrs. Sheila S. Mody (DIN 00496561), who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Apaji Amin & Co., Chartered Accountants, the retiring statutory auditors of the company as statutory auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

To consider and if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provision of section 139 and other applicable provisions if any, of the Companies Act, 2013 and the rules framed thereunder as amended from time to time, M/s Apaji Amin & Co., Chartered Accountants, (Firm Registration No: 100513W) be and are hereby appointed as Statutory Auditors of the company, to hold the office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company at such remuneration as shall be fixed by the Board of Directors of the company”

### SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013 and clause 49 of the Listing Agreement, as may be amended from time to time, Mr. Mohib N. Khericha (DIN 00010365), a non-executive Director of the company, who has submitted his declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment, whose period of office was liable to determination by retirement of directors by rotation as per the provision of erstwhile Companies Act, 1956 at the Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years with effect from 30<sup>th</sup> September, 2014 upto the date of 29<sup>th</sup> Annual General Meeting of the company.”

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution:**

“**RESOLVED THAT** Mr. Nilesh C. Mankiwala (DIN 06927530), who was appointed as an Additional Director of the company by the Board of Directors with effect from 29<sup>th</sup> July, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice under the provisions of section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149,150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013 and clause 49 of the Listing Agreement, as may be amended from time to time, Mr. Nilesh C. Mankiwala (DIN 06927530), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years with effect from 30<sup>th</sup> September, 2014 upto the date of 29<sup>th</sup> Annual General Meeting of the company.”

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Saurin V. Palkhiwala (DIN 03604769), who was appointed as an Additional Director of the company by the Board of Directors with effect from 29<sup>th</sup> July, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice under the provisions of section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013 and clause 49 of the Listing Agreement, as may be amended from time to time, Mr. Saurin V. Palkhiwala (DIN 03604769), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years with effect from 30<sup>th</sup> September, 2014 upto the date of 29<sup>th</sup> Annual General Meeting of the company.”

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the rules framed thereunder and in pursuance of recommendation of Remuneration Committee and the Board of Directors of the company the consent of the company be and is hereby accorded to the re-appointment of Mr. Sorab R. Mody (DIN 00498958) as a Managing Director of the company with effect from 1<sup>st</sup> April, 2014 for a period of three consecutive years with a remuneration including the commission which shall not exceed an overall ceiling of ₹ 84,00,000 upon such terms and conditions including remuneration as are set out in Draft Agreement to be executed by the Company with Mr. Sorab R. Mody.”

**“RESOLVED FURTHER THAT** the terms and conditions mentioned in the draft agreement, be and is hereby approved and sanctioned with liberty to the Board of Directors to vary the terms and conditions of the said re- appointment and/ or Agreement within the limit specified in Schedule V to the Companies Act, 2013 or any amendment or modifications or re-enactment thereto, as may be agreed to between the Board of Directors and Mr. Sorab R. Mody”

**“RESOLVED FURTHER THAT** the company has to pay remuneration as per the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time, the following perquisites shall not be included in the computation of the ceiling on remuneration specified hereinabove:

- (a) Contribution to Provident fund, superannuation fund or annuity fund and benefits under company’s pension scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- (b) Gratuity payable at a rate not exceeding half month’s salary for each completed year of service; and
- (c) Encashment of leave at the end of tenure.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the rules framed thereunder and in pursuance of recommendation of Remuneration Committee and the Board of Directors of the company the consent of the company be and is hereby accorded to the Re-appointment of Mr. Percy Avari (DIN 00499114) as Whole-Time Director of the company with maximum remuneration including commission upto ₹ 75,00,000, with effect from 1<sup>st</sup> April, 2014 for a period of three consecutive years upon such terms and conditions including remuneration as are set out in Draft Agreement to be executed by the company with Mr. Percy X. Avari.”

**“RESOLVED FURTHER THAT** the terms and conditions mentioned in the draft agreement, be and is hereby approved and sanctioned with liberty to the Board of Directors to vary the terms and conditions of the said re- appointment and/ or Agreement within the limit specified in Schedule V to the Companies Act, 2013 or any amendment or modifications or re-enactment thereto, as may be agreed to between the Board of Directors and Mr. Percy X. Avari.”

**“RESOLVED FURTHER THAT** the company has to pay remuneration as per the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time, the following perquisites shall not be included in the computation of the ceiling on remuneration specified hereinabove:

- (a) Contribution to Provident fund, superannuation fund or annuity fund and benefits under company’s pension scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;

- (b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- (c) Encashment of leave at the end of tenure.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the rules framed thereunder and in pursuance of recommendation of Remuneration Committee and the Board of Directors of the company the consent of the company be and is hereby accorded to the Re-appointment of Mrs. Shanaya Mody Khatua (DIN 01241585) as Whole-Time Director of the company with maximum remuneration including commission upto ₹ 75,00,000, with effect from 1<sup>st</sup> April, 2014 for a period of three consecutive years subject to the approval of the Central Government and upon such terms and conditions including remuneration as are set out in Draft Agreement to be executed by the company with Mrs. Shanaya Mody Khatua.”

“**RESOLVED FURTHER THAT** the terms and conditions mentioned in the draft agreement, be and is hereby approved and sanctioned with liberty to the Board of Directors to vary the terms and conditions of the said re-appointment and/ or Agreement within the limit specified in Schedule V to the Companies Act, 2013 or any amendment or modification(s) or re-enactment thereto, as may be agreed to between the Board of Directors with Mrs. Shanaya Mody Khatua.”

“**RESOLVED FURTHER THAT** the company has to pay remuneration as per the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time, the following perquisites shall not be included in the computation of the ceiling on remuneration specified hereinabove:

- (a) Contribution to Provident fund, superannuation fund or annuity fund and benefits under company's pension scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- (b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- (c) Encashment of leave at the end of tenure.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Registered Office:**

C/1-39/13/16 GIDC,  
Naroda,  
Ahmedabad – 382 330  
Date: 02/08/2014

By Order of the Board,

**Nishith Kayasth**  
Company Secretary

**NOTES:**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY COMPLETED, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, IN ORIGINAL NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT ONE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
- (3) The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of the special business under Item No. 5 to 10 of the notice, is annexed hereto.
- (4) Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (5) The Register of Members and the Share Transfer Books of the company will remain closed from 13<sup>th</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive) to determine entitlement of dividend on equity shares, if declared at the Meeting. Dividend will be paid to those shareholders, whose name appears on the Register of Members of the company as at the end of business hours on 12<sup>th</sup> September, 2014.

- (6) The dividend, if declared will be paid on or after 5<sup>th</sup> October, 2014.
- (7) The dividend warrants pertaining to earlier years issued by the company are not yet encashed by some of the members. Hence, those members who have not encashed the dividend warrants may please get the same revalidated by the company and encash them at the earliest to avoid inconvenience at a later date.
- (8) Members are requested to bring the copy of their Annual Report and duly filled Attendance Slip at the Annual General Meeting. In case of Joint holders, if both the members are attending the Meeting, the first holder is entitled to vote at the said Meeting.
- (9) The proxy form for the AGM is enclosed herewith.
- (10) Members holding shares in physical form are requested to notify immediately the change to RTA, if any, in their registered address, bank details etc.
- (11) The equity shares of the company are available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is INE885E01034.
- (12) The members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS mandates, Power of Attorney, change of address or name etc. to their depository participant only. Changes intimated to depository participant will be automatically reflected in the company's record which will help the company and its registrar and transfer agents to provide efficient and better services.
- (13) Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
- (14) As required under the provisions of clause 49(IV)(G)(i) of the listing agreement, particulars relating to Mrs. Sheila Mody, Director retiring by rotation, and whose re-appointment is being proposed at the forthcoming Annual General Meeting, is given in the Annexure to this notice. Brief profile of the directors who are proposed to be appointed as Independent Directors are given in the annexure to this notice. As per requirement of Schedule V Part II Section II of the Companies Act, 2013, brief profile of executive directors who are proposed to be re-appointed are given in the Annexure attached to the notice.
- (15) The notice of AGM, Annual report and Attendance slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
- (16) TO SUPPORT THE 'GREEN INITIATIVE' MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES SO FAR ARE REQUESTED TO REGISTER THEIR E-MAIL ADDRESS WITH RTA /DEPOSITORIES FOR RECEIVING ALL COMMUNICATION INCLUDING ANNUAL REPORT, NOTICES, CIRCULARS, ETC. FROM THE COMPANY ELECTRONICALLY.
- (17) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

#### PROCEDURE FOR E-VOTING

##### **In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the company name 'MAZDA LIMITED' on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:** Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

- (18) The voting period begins on **at 9.00 am on Thursday, 25th September, 2014 and will end at 5.00 pm on Friday, 26th September, 2014**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 12th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (19) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (20) The Company has appointed Mr. Rutul Shukla & Associates, Company Secretaries to act as scrutinizer, for conducting the scrutiny of the votes cast. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given here above.
- (21) The scrutinizer shall within a period of not exceeding Three (3) working days from the conclusion of the e-voting period unblock the votes in presence of atleast two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.
- (22) The result shall be declared at or after the Annual General Meeting of the company. The result declared alongwith the scrutinizer's report shall be placed on company's website [www.mazdalimited.com](http://www.mazdalimited.com) and on the website of CDSL within two days of passing of resolutions at the Annual General Meeting of the company and communicated to Bombay Stock Exchange Limited.
- (23) All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered office of the company during normal business hours (9.00 am to 5.00 pm) on all working days except Tuesdays upto the date of 24<sup>th</sup> Annual General Meeting of the company.

**Registered Office:**

C-1/39/13/16 GIDC,  
Naroda,  
Ahmedabad – 382 330  
Date: 02/08/2014

By Order of the Board,

**Nishith Kayasth**  
Company Secretary

**ANNEXURE TO NOTICE**  
**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 5**

Mr. Mohib Khericha is a Non-Executive Independent Director & Chairman of the company. He is also the Chairman of the Audit Committee.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Mohib Khericha as an Independent Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Mohib Khericha as an Independent Director for the approval by the shareholders of the company.

Pursuant to Provisions of Section 149 of the Companies Act, 2013, which has come into force with effect from 01<sup>st</sup> April, 2014 an Independent Director shall hold office for a term upto five consecutive years on the Board of the company and is not liable to retire by rotation.

Therefore, it is proposed to appoint Mr. Mohib Khericha as an Independent Director of the Company with effect from 30/09/2014 upto 29/09/2019 not liable to retire by rotation.

Mr. Mohib Khericha has given a declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

Mr. Mohib Khericha is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as the Director. In the opinion of the Board, Mr. Mohib Khericha fulfils the conditions specified in the Companies Act, 2013 and Schedule IV of the Act read with rules prescribed thereunder for appointment as an Independent Director of the company.

The company has received a notice in writing from a member alongwith the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Mohib Khericha as an Independent Director is now being placed before the Members for their approval.

Mr. Mohib Khericha is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. The relatives of Mr. Mohib Khericha may be deemed to be interested in the resolution set out at Item No.5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company and their relatives is, in any way, concerned or interested, financially or otherwise, in these resolution.



**ITEM NO. 6**

Mr. Nilesh Mankiwala was appointed as an Additional Director of the Company in the Board Meeting held on 29<sup>th</sup> July, 2014. His term of appointment as an Additional Director expires at the forthcoming Annual General Meeting.

The Board considers that his association would be of immense benefit to the company and it is desirable to avail services of Mr. Nilesh Mankiwala as an Independent Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Nilesh Mankiwala as an Independent Director for the approval by the shareholders of the company.

Pursuant to provisions of Section 149 of the Companies Act, 2013, which has come into force with effect from 01<sup>st</sup> April, 2014 an Independent Director shall hold office for a term upto five consecutive years on the Board of the company and is not liable to retire by rotation.

Therefore, it is proposed to appoint Mr. Nilesh Mankiwala as an Independent Director of the Company with effect from 30/09/2014 upto the date of 29<sup>th</sup> Annual General Meeting of the company, not liable to retire by rotation.

Mr. Nilesh Mankiwala has given a declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

Mr. Nilesh Mankiwala is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as the Director. In the opinion of the Board, Mr. Nilesh Mankiwala fulfils the conditions specified in the Companies Act, 2013 and Schedule IV of the Act read with rules prescribed thereunder for appointment as an Independent Director of the company.

The company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Nilesh Mankiwala as an Independent Director is now being placed before the Members for their approval.

Mr. Nilesh Mankiwala is interested in the resolutions set out respectively at Item No. 6 of the Notice with regard to his appointment. The relatives of Mr. Nilesh Mankiwala may be deemed to be interested in the resolutions set out respectively at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company and their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

**ITEM NO. 7**

Mr. Saurin Palkhiwala was appointed as an Additional Director of the Company in the Board Meeting held on 29<sup>th</sup> July, 2014. His term of appointment as an Additional Director expires at the forthcoming Annual General Meeting.

The Board considers that his association would be of immense benefit to the company and it is desirable to avail services of Mr. Saurin Palkhiwala as an Independent Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Saurin Palkhiwala as an Independent Director for the approval by the shareholders of the company.

Pursuant to Provisions of Section 149 of the Companies Act, 2013, which has come into force with effect from 01<sup>st</sup> April, 2014 an Independent Director shall hold office for a term upto five consecutive years on the Board of the company and is not liable to retire by rotation.

Therefore, it is proposed to appoint Mr. Saurin Palkhiwala as an Independent Director of the Company with effect from 30/09/2014 upto the date of 29<sup>th</sup> Annual General Meeting of the company, not liable to retire by rotation.

Mr. Saurin Palkhiwala has given a declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

Mr. Saurin Palkhiwala is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as the Director. In the opinion of the Board, Mr. Saurin Palkhiwala fulfils the conditions specified in the Companies Act, 2013 and Schedule IV of the Act read with rules prescribed thereunder for appointment as an Independent Director of the company.

The company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Saurin Palkhiwala as an Independent Director is now being placed before the Members for their approval.

Mr. Saurin Palkhiwala is interested in the resolutions set out respectively at Item No. 7 of the Notice with regard to his appointment. The relatives of Mr. Saurin Palkhiwala may be deemed to be interested in the resolutions set out respectively at Item No.7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company and their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

**ITEM NO. 8**

**General information:**

Our company was incorporated in the year 1990 and it is engaged in the engineering business. Which includes manufacturing of vacuum systems, evaporators and pollution control equipments. We have also diversified in the food business.

Details of financial performance, export performance and other general details relating to our company are already mentioned in the Director's Report hence not repeated.

**Brief profile:**

Mr. Sorab Mody is founder promoter of the company and is associated with the company since inception. Mr. Sorab Mody has through his foresight and visionary approach, coupled with sound understanding of Engineering Industry has led the company to the path of growth. His qualification, nature of expertise and other details related to him are given in annexure to this notice.

Considering his experience and expertise, and as per the remuneration package prevailing in the engineering industry, Audit Committee, Remuneration Committee and Board of Directors of the company felt that the remuneration package offered to him needs to be revised.

**Appointment and Remuneration details:**

The agreement dated 1<sup>st</sup> April, 2011 between Mr. Sorab Mody and company had set out the terms and conditions of re-appointment of Mr. Sorab Mody as Managing Director. As per the resolution passed in the Annual General Meeting held on 27<sup>th</sup> September, 2011, company had obtained approval of the Central Government under Section 269 & 198(4)/309(3) and 637AA of the Companies Act, 1956 for payment of salary maximum upto ₹ 36,00,000 P.A. and 3% commission on net profits of the company which makes overall payment of remuneration including commission to Mr. Sorab Mody of ₹ 76,68,975 in the financial year 2013-14.

As the said approval has expired on 31<sup>st</sup> March, 2014, the company proposes to renew his appointment w.e.f 01/04/2014 for a term of three years. As he will attain the age of 70 years within the term of his re-appointment and for payment of remuneration, special resolution at the forthcoming Annual General Meeting is required to be passed as per Section 196, 197, 198 and Schedule V of the Companies Act, 2013.

The salient terms and conditions of draft agreement are as under:

- Mr. Sorab to hold office and act as a Managing Director of the company for a period of three years with effect from 1<sup>st</sup> April, 2014.
- Mr. Sorab to comply with all the directions which may from time to time be given by the Board and in all respects to conform with the regulations to be made by the Board and to well and faithfully serve the company and use his utmost endeavors to promote the interest thereof.
- Mr. Sorab will be entitled to exercise such powers on behalf of the company as may from time to time be lawfully entrusted to and conferred upon him by the Board either alone or jointly with any other person or persons as the Board may determine.
- Mr. Sorab to receive the maximum remuneration and benefits as are prescribed from time to time or any statutory modification thereof for the period commencing from 1st April, 2014.
  - (a) Salary : ₹ 2,80,000/- per month.
  - (b) House Rent Allowance : ₹ 84,000/- per month.
  - (c) Perquisites as under reckoned on the basis of actual expenditure or liability incurred.
    - (i) Medical Benefits for Mr. Sorab and family: Reimbursement of the expenses actually incurred, the total cost of which to the company not to exceed one month's salary in a year.
    - (ii) Leave Travel Allowance: Mr. Sorab and his family once in a year, subject to one month's salary.
    - (iii) Statutory contribution to PF, FPF, statutory bonus, encashment of leave and gratuity payable at the end of the tenure as per the company rules which will not be included in calculation of remuneration limits as per schedule V of the Companies Act, 2013.
  - (d) Mr. Sorab will be paid 2% commission on the profits for the whole year as per the calculation prescribed in the Companies Act, 2013.
  - (e) Mr. Sorab to be provided a car with chauffeur for use of company's business and a telephone at residence.
  - (f) Terminal Benefits will be provided to Mr. Sorab as per the company rules.
- Mr. Sorab shall not without the prior permission of the Board either during or after termination of the appointment hereunder, divulge or communicate to any person or persons (except to such of the employees of the company or any other duly authorised persons to whom the same could be divulged or communicated for the efficient conduct of the company's business) or himself make use of any of the company's secret or any other information which he



may receive or obtain in relation to the company's affairs or to the working or any process or invention which is carried on or used by the company or any other matter which comes to his knowledge in the course of or by reason of his appointment with the company.

Except Mr. Sorab R. Mody himself, Mrs. Shanaya Mody Khatua, and Mrs. Sheila S. Mody, being relatives, no other directors or key managerial personnel are interested or concerned in this resolution.

**Other information:**

There are no comparable data available on other companies in the segment and the remuneration payable to their managerial persons. The profits of the company for the financial year ended on 31st March, 2014, are inadequate and hence provisions of Schedule V of the Companies Act, 2013 are attracted. The remuneration proposed is however, within the limits specified under Schedule V of the Companies Act, 2013. The efforts of managerial persons has given lot of growth to the company and with new technological and development innovations suggested by them, it will help the company to achieve further growth of company. The company is expecting to grow at an average rate of 15 per cent in coming years.

This explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the stock exchange. Your directors recommend the resolutions as at Item No. 8 for your approval.

**ITEM NO. 9**

**General information:**

Our company was incorporated in the year 1990 and it is engaged in the engineering business. Which includes manufacturing of vacuum systems, evaporators and pollution control equipments. We have also diversified in the food business.

Details of financial performance, export performance and other general details relating to our company is mentioned in the Director's Report hence not repeated.

**Brief profile:**

Mr. Percy Avari is associated with the Company since 1990 as an employee of the company. In the year 2003, he was appointed as the Whole-Time Director of the company. His qualification, nature of expertise and other details are given in annexure to this notice.

Considering his experience and expertise, and as per the remuneration package prevailing in the engineering industry, Audit Committee, Remuneration Committee and Board of Directors of the company felt that the remuneration package offered to him needs to be revised to make it fair.

**Appointment and Remuneration details:**

The agreement dated 1<sup>st</sup> April, 2011 between Mr. Percy Avari and company had set out the terms and conditions of re-appointment of Mr. Percy Avari as Whole-Time Director. As per the resolution passed in the Annual General Meeting held on 27<sup>th</sup> September, 2011, company had obtained approval of the Central Government under Section 269 & 198(4)/309(3) and 637AA of the Companies Act, 1956 for payment of salary maximum upto ₹ 36,00,000 P.A. and 1% commission on net profits of the company which makes overall payment of remuneration including commission to Mr. Percy Avari of ₹ 49,24,592 in the financial year 2013-14.

As the said approval has expired on 31<sup>st</sup> March, 2014, the company proposes to renew his appointment w.e.f 01/04/2014 for a term of three years. The special resolution is required to be passed as per Section II(A) of Schedule V of the Companies Act, 2013.

The salient terms and conditions of draft agreement are as under:

- Mr. Percy to hold office and act as a Whole-Time Director of the company for a period of three years with effect from 1<sup>st</sup> April, 2014.
- Mr. Percy to comply with all the directions which may from time to time be given by the Board and in all respects to conform with the regulations to be made by the Board and to well and faithfully serve the company and use his utmost endeavors to promote the interest thereof.
- Mr. Percy will be entitled to exercise such powers on behalf of the company as may from time to time be lawfully entrusted to and conferred upon him by the Board either alone or jointly with any other person or persons as the Board may determine.
- Mr. Percy to receive the maximum remuneration and benefits as are prescribed from time to time or any statutory modification thereof for the period commencing from 1st April, 2014.

- (a) Salary : ₹ 2,80,000/- per month.
- (b) House Rent Allowance : ₹ 84,000/- per month.

- (c) Perquisites as under reckoned on the basis of actual expenditure or liability incurred.
  - (i) Medical Benefits for Mr. Percy and family: Reimbursement of the expenses actually incurred, the total cost of which to the company not to exceed one month's salary in a year.
  - (ii) Leave Travel Allowance: Mr. Percy and his family once in a year, subject to one month's salary.
  - (iii) Statutory contribution to PF, FPF, statutory bonus, encashment of leave and gratuity payable at the end of the tenure as per the company rules which will not be included in calculation of remuneration limits as per schedule V of the Companies Act, 2013.
- (d) Mr. Percy will be paid 1% commission on the profits for the whole year as per the calculation prescribed in the Companies Act, 2013.
- (e) Mr. Percy to be provided a car with chauffeur for use of company's business and a telephone at residence.
- (f) Terminal Benefits will be provided to Mr. Percy as per the company rules.
- Mr. Percy shall not without the prior permission of the Board either during or after termination of the appointment hereunder, divulge or communicate to any person or persons (except to such of the employees of the company or any other duly authorised persons to whom the same could be divulged or communicated for the efficient conduct of the company's business) or himself make use of any of the company's secret or any other information which he may receive or obtain in relation to the company's affairs or to the working or any process or invention which is carried on or used by the company or any other matter which comes to his knowledge in the course of or by reason of his appointment with the company.

Except Mr. Percy Avari himself, no other directors or key managerial personnel are interested or concerned in this resolutions.

**Other information:**

There are no comparable data available on other companies in the segment and the remuneration payable to their managerial persons. The profits of the company for the financial year ended on 31st March, 2014, are inadequate and hence provisions of Schedule V of the Companies Act, 2013 are attracted. The remuneration proposed is however, within the limits specified under Schedule V of the Companies Act, 2013. The efforts of managerial persons has given lot of growth to the company and with new technological and development innovations suggested by them, it will help the company to achieve further growth of company. The company is expecting to grow at an average rate of 15 per cent in coming years.

This explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the stock exchange. Your directors recommend the resolutions as at Item No. 8 for your approval.

**ITEM NO. 10**

**General information:**

Our company was incorporated in the year 1990 and it is engaged in the engineering business. Which includes manufacturing of vacuum systems, evaporators and pollution control equipments. We have also diversified in the food business.

Details of financial performance, export performance and other general details relating to our company is mentioned in the Director's Report hence not repeated.

**Brief profile:**

Mrs. Shanaya Mody Khatua is associated with the Company since 2006, upto 2007 as an employee of the company and in the year 2007, she was appointed as the Whole-Time Director of the company. Her qualifications, nature of expertise and other details related to Mrs. Shanaya Mody Khatua is given in annexure to this notice.

Considering her experience and expertise and phenomenal growth of the food division business, Audit Committee, Remuneration Committee and Board of Directors of the company felt that the remuneration package offered to her needs to be revised to make it fair.

**Appointment and Remuneration details:**

The agreement dated 1st April, 2011 between Mrs. Shanaya Mody Khatua and company had set out the terms and conditions of re-appointment of Mrs. Shanaya Mody Khatua as Whole-Time Director. As per the resolution passed in the Annual General Meeting held on 27th September, 2011, company had obtained approval of the Central Government under Section 269 & 198(4)/309(3) and 637AA of the Companies Act, 1956 for payment of salary maximum upto ₹ 36,00,000 P.A. and 1% commission on net profits of the company which makes overall payment of remuneration including commission to Mrs. Shanaya of ₹ 49,24,592 in the financial year 2013-14.



As the said approval has expired on 31<sup>st</sup> March, 2014, the company proposes to renew her appointment w.e.f 01/04/2014 for a term of three years. The special resolution is required to be passed as per Section II(A) of Schedule V of the Companies Act, 2013.

She is controlling the business of food division from abroad as the business is export oriented and she has to remain outside India for expansion of food division business. Therefore, as per Schedule V Part I, of the Companies Act, 2013, she is not satisfying the condition of appointment, hence Central Government approval is required.

The salient terms and conditions of draft agreement are as under:

- Mrs. Shanaya to hold office and act as a Whole-Time Director of the company for a period of three years with effect from 1<sup>st</sup> April, 2014.
- Mrs. Shanaya to comply with all the directions which may from time to time be given by the Board and in all respects to conform with the regulations to be made by the Board and to well and faithfully serve the company and use her utmost endeavors to promote the interest thereof.
- Mrs. Shanaya will be entitled to exercise such powers on behalf of the company as may from time to time be lawfully entrusted to and conferred upon her by the Board either alone or jointly with any other person or persons as the Board may determine.
- Mrs. Shanaya to receive the maximum remuneration and benefits as are prescribed from time to time or any statutory modification thereof for the period commencing from 1st April, 2014:
  - (a) Salary : ₹ 2,80,000/- per month.
  - (b) House Rent Allowance : ₹ 84,000/- per month.
  - (c) Perquisites as under reckoned on the basis of actual expenditure or liability incurred.
    - (i) Medical Benefits for Mrs. Shanaya and family: Reimbursement of the expenses actually incurred, the total cost of which to the company not to exceed one month's salary in a year.
    - (ii) Leave Travel Allowance: Mrs. Shanaya and her family once in a year, subject to one month's salary.
    - (iii) Statutory contribution to PF, FPF, statutory bonus, encashment of leave and gratuity payable at the end of the tenure as per the company rules which will not be included in calculation of remuneration limits as per schedule V of the Companies Act, 2013.
  - (d) Mrs. Shanaya will be paid 1% commission on the profits for the whole year as per the calculation prescribed in the Companies Act, 2013.
  - (e) Mrs. Shanaya to be provided a car with chauffeur for use of company's business and a telephone at residence.
  - (f) Terminal Benefits will be provided to Mrs. Shanaya as per the company rules.
- Mrs. Shanaya shall not without the prior permission of the Board either during or after termination of the appointment hereunder, divulge or communicate to any person or persons (except to such of the employees of the company or any other duly authorised persons to whom the same could be divulged or communicated for the efficient conduct of the company's business) or herself make use of any of the company's secret or any other information which she may receive or obtain in relation to the company's affairs or to the working or any process or invention which is carried on or used by the company or any other matter which comes to her knowledge in the course of or by reason of her appointment with the company.

Except Mrs. Shanaya Mody Khatua, herself, Mr. Sorab Mody, and Mrs. Sheila S. Mody, being relatives, no other directors or key managerial personnel are interested or concerned in this resolution.

**Other information:**

There are no comparable data available on other companies in the segment and the remuneration payable to their managerial persons. The profits of the company for the financial year ended on 31st March, 2014, are inadequate and hence provisions of Schedule V of the Companies Act, 2013 are attracted. The remuneration proposed is however, within the limits specified under Schedule V of the Companies Act, 2013. The efforts of managerial persons has given lot of growth to the company and with new technological and development innovations suggested by them, it will help the company to achieve further growth of company. The company is expecting to grow at an average rate of 15 per cent in coming years.

This explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the stock exchange. Your directors recommend the resolutions as at Item No. 8 for your approval.

**By Order of the Board,**

Place: Ahmedabad  
Date: 02.08.2014

**Nishith Kayasth  
Company Secretary**

**ANNEXURE TO NOTICE**

Particulars	Name of the Directors seeking Appointment / Re-Appointment		
	Mrs. Sheila Mody	Mr. Mohib Khericha	Mr. Nilesh Mankiwala
Date of Birth and Age	19/02/1947 67 years	08/04/1952 63 years	26/10/1960 53 years
Date of Appointment	20/09/1991	12/09/1992	29/07/2014
Qualification	B.Sc	Chartered Accountant	B.E. (Mechanical)
Nature of Expertise	She is on the Board since 1992. Her experience and knowledge in the field of engineering has immensely helped the company.	He is Managing Director of Chartered Capital and Investment Limited – a category-I Merchant Banker. He has vast experience in the area of the capital structuring, restructuring, financial management and loan syndication. He was the Chairman of the Capital Market Committee (GCC) during the year 2003-04.	He is currently working as a consulting engineer and contractor for different types of projects. He had an experience in working with our company from 1990 to 1995 as a project engineer. He has vast experience in the field of engineering which helps company to take decisions in implementing new projects.
Name of the public companies in which he/she holds Directorship	Not a Director in any other public company except MAZDA LIMITED.	<ul style="list-style-type: none"> <li>➤ Chartered Capital and Investment Limited</li> <li>➤ Photoquip (India) Limited</li> <li>➤ Chartered Logistics Limited</li> <li>➤ Kirloskar Power Build Gears Limited</li> <li>➤ TD Power Systems Limited</li> <li>➤ TD Power Systems (JAPAN) Limited</li> </ul>	Not a Director in any other company except MAZDA LIMITED.
Name of Committees of Public Companies of which he/she holds Membership/ Chairmanship*	<ul style="list-style-type: none"> <li>➤ Member of Audit Committee of Mazda Limited</li> <li>➤ Chairman of Stakeholder Relationship Committee of Mazda Limited</li> </ul>	<ul style="list-style-type: none"> <li>➤ Chartered Capital and Investment Limited <ul style="list-style-type: none"> <li>▪ Shareholders/ Investors Grievance Committee (Member)</li> </ul> </li> <li>➤ Photoquip (India) Limited <ul style="list-style-type: none"> <li>▪ Shareholders/ Investors Grievance Committee (Chairman)</li> <li>▪ Audit Committee (Chairman)</li> </ul> </li> <li>➤ TD Power Systems Limited <ul style="list-style-type: none"> <li>▪ Audit Committee (Member)</li> <li>▪ Shareholders/ Investors Grievance Committee (Member)</li> <li>▪ Chairman of Audit Committee in Mazda Limited</li> </ul> </li> </ul>	NONE
No. of shares held	75,700 Equity Shares	NIL	800 Equity Shares

Particulars	Name of the Directors seeking Appointment / Re-Appointment			
	Mr. Saurin Palkhiwala	Mr. Sorab Mody	Mr. Percy Avari	Mrs. Shanaya Mody Khatua
Date of Birth and Age	05/11/1960 53 years	08/10/1945 69 years	17/11/1968 45 years	26/09/1981 32 years
Date of Appointment	29/07/2014	03/09/1990	29/01/2003	22/01/ 2007
Qualification	B.Com	B.Com	B.Tech (Chemical), MBA (Finance)	B.A. (ARTS) from University of New South Wales, Australia. M.Sc. (International Employment Relations & HRM) from London School of Economics.
Nature of Expertise	He is a Proprietor of Saurin Textile Mill & Gayatri Textile and Director of Green paper financial services Pvt. Ltd. He is associated with cloth manufacturing business and has a wide experience of more than 30 years in textile business and his core competency is in finance and finance related activities. This also helps him in his main stream business of Proprietary Investments and Consultancy.	He is a promoter and Managing Director of the company. He has vast experience of engineering industry. His vision and guidance to our company has made this company to grow immensely. He has an overall experience of 35 years in the engineering industry. During his tenure as a mentor of the company has developed new products and with his vision of growth company has achieved a turnover of ₹100 Crores. He was previously working with J.N.Marshall Ltd as a Branch Manager.	Mr. Percy is working with the company since its incorporation. He was an employee of the company till 2003. He was appointed as a Whole-Time Director of the Company in the year 2003. He looks after overall business including focus on product development and new business avenues in the Engineering sector. His experience of 24 years in the engineering industry will help the company to grow in future.	Mrs. Shanaya was appointed as an Admin and HR Manager of the company in the year 2006. She was appointed as a Whole-Time Director of the Company in the year 2007. She looks after the business of food division which is mainly export oriented. She is also the overall in-charge of Admin and HR functions of the Company.
Name of the public companies in which he/ she holds Directorship	Not a Director in any other public company except MAZDA LIMITED.	Not a Director in any other public limited company except MAZDA LIMITED.	Not a Director in any other public limited company except MAZDA LIMITED.	Not a Director in any other public limited company except MAZDA LIMITED.
Name of Committees of Public Companies of which he/she holds Membership/ Chairmanship*	Member of Audit Committee of Mazda Limited	NONE	NONE	NONE
No. of shares held	NIL	11,78,572 Equity Shares	45,205 Equity Shares	4,25,622 Equity Shares

## DIRECTORS' REPORT

To,  
THE MEMBERS,  
MAZDA LIMITED

Your Directors have pleasure in presenting the Twenty Fourth Annual Report on the business and operations of the company together with the Audited Accounts for the year ended March 31, 2014.

### 1. FINANCIAL RESULTS

(₹ In Lacs)

Sr. No.	Particulars	2013-14	2012-13
i	<b>Total revenue</b>	<b>10507.08</b>	<b>12254.72</b>
ii	<b>(Less):</b> Total expenditure	8798.11	10170.32
iii	<b>Profit before depreciation, finance cost &amp; tax</b>	<b>1708.97</b>	<b>2084.40</b>
iv	<b>(Less):</b> Finance cost	94.30	63.71
v	<b>(Less):</b> Tax Expenses	452.62	638.61
vi	<b>Cash Profit</b>	<b>1162.05</b>	<b>1382.08</b>
vii	<b>(Less):</b> Depreciation	135.27	142.92
viii	<b>(Less):</b> Prior period items	1.44	2.60
ix	<b>Profit for the year</b>	<b>1025.34</b>	<b>1236.56</b>
x	<b>Balance of Profit brought forward</b>	<b>6058.63</b>	<b>5196.15</b>
xi	<b>Total Profit available for appropriation</b>	<b>7083.97</b>	<b>6432.71</b>
xii	Transfer to general reserve	125.00	125.00
xiii	Proposed Dividend	234.19	212.90
xiv	Dividend Tax	39.80	36.18
xv	<b>Profit carried to Balance Sheet</b>	<b>6684.98</b>	<b>6058.63</b>

### 2. DIVIDEND

The Board of Directors are pleased to recommend a final dividend of 55% to its equity shareholders i.e. ₹ 5.50/- per equity share of face value of ₹ 10/- each (Previous year ₹ 5/- per equity share of face value of ₹ 10/- each). The payment of final dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting.

### 3. TRANSFER TO GENERAL RESERVE

Your directors propose to transfer the amount of ₹ 125.00 Lacs (Previous year ₹ 125.00 Lacs) to the General Reserve, having regard to the requirements of Section 205 (2A) of the Companies Act, 1956 and with reference to the Companies (Transfer of profits to Reserve) Rules, 1975.

### 4. OPERATIONS

During the year under review, due to adverse market conditions and overall slowdown in the economy, the turnover of the company has reduced to ₹ 102.99 Crores against ₹ 120.99 Crores for the previous year showing decrease by 15%. The Profit before Tax for the year is ₹ 14.79 Crores as against ₹ 18.77 Crores for the previous year showing decrease by 21%.

### 5. FINANCE AND ACCOUNTS

There are no term loans or interest thereon outstanding during the year under review. Your company is at present using financial assistance in the form of working capital facilities from State Bank of India, Ahmedabad and has increased its non-fund based credit limits by ₹ 5 Crores which makes overall banking limits upto ₹ 24.38 Crores to capture its fund based and non-fund based requirements. The fund based limits are in the form of Cash credit / PCFC loans and non-fund based limits are in the form of Bank Guarantees and LCs.

Your company is sufficiently funded from the internal accruals and cash accrual from sale of valve division which has been invested in debt market instruments like fixed maturity plans, liquid funds and bond funds. The investment amount has increased from the previous year investment of ₹ 18.97 Crores to ₹ 29.71 Crores in the year under review.

During the year under review, ICRA has conducted the surveillance of credit facilities and re-affirmed the long term credit ratings to 'A' and short term credit ratings to 'A1'. The outlook of the long term ratings is stable.



## 6. MANAGEMENT DISCUSSION AND ANALYSIS

### (a) Industry Structure and Developments:

The Indian economy has witnessed continued low GDP growth, declining industrial output, decline in investment ratios and high inflation rates in the financial year under review. The advance estimates of GDP as low as 4.86% gives no respite to the improvement in overall economic conditions.

#### **Engineering Business:**

Due to the overall slowdown in the engineering sector, the vacuum business of your company has gone down considerably and the evaporator business has marginally improved.

During the year under review, your company has dispatched the first Absorption Refrigeration System which was developed and manufactured under the collaboration with Inven Absorption GMBH, Germany.

#### **Food Business:**

During the year under review, we have achieved tremendous growth in sales and profits from the food division. The favourable conditions in the foreign exchange market with a weaker Indian rupee benefits our division which is an export oriented unit.

We have added new products to our product line. Our focus for this year has led us to develop more effective packaging techniques whereby we are in a position to offer our customers the same product at a cheaper price. The natural lines of flavouring and food essences that we launched last year, continue to do well indicating that the global trend seems to be moving towards healthier options and choices.

### (b) Segment-wise Performance:

Your company has divided the business in two segments i.e. Engineering Division and Food division.

Your company's performance in the engineering segment shows decrease in turnover by 17% and the profit in the engineering segment has remained the same.

The food business has continued to grow which reflects by an increase in turnover by 24% and the profit of the food business has increased tremendously by 76%.

### (c) Outlook:

As the GDP growth estimates to 4.6% there will be no major changes in the economy. Although the recent policy actions have reduced vulnerabilities but structural issues and high inflation continue to remain key concerns for the industry. Engineering sector is halted due to slow growth margins and lack of policies for infrastructure development and power projects.

Your company had entered into a collaboration agreement with Inven Absorption GMBH, Germany for design and manufacture of Absorption Refrigeration Units in September 2012. In June, 2014 Inven Absorption GMBH, Germany, sold its intellectual property rights, know-how and associated assets related to the design and manufacture of Absorption Refrigeration Units to Constructions Industrielles De La Mediterranee, S.A. ('CNIM'), France. Consequently, Inven and Mazda terminated the Collaboration Agreement in June, 2014. Mazda is planning to enter into a fresh license Agreement for the design and manufacture of Absorption Refrigeration Units with 'CNIM'. Mazda is also planning to enter into a training and technical assistance agreement with Inven.

This new business line shall add to the growth of the company as CNIM has proposed to outsource manufacturing of Absorption Refrigeration Units for the world market.

Your company has set up its in-house Research & Development facility which is approved by Department of Scientific & Industrial Research, New Delhi. Your company is exploring research in future technologies for the growth of the company.

### (d) Opportunities and threats:

The slowdown in the economy and delayed infrastructure and power projects are major threat to our company. Your company is facing stiff competition in the Evaporator business. However, by way of improvement in technology for manufacturing, effective cost control and by way of change in procurement policies, your company can maintain its growth rate.

Your company is undertaking various new technology initiatives which will further improve the potential for new businesses from existing and new customers.

### (e) Internal control systems and risk management:

Your company continuously upgrades the internal control system with best available practices. Internal control system is supplemented by extensive internal audit, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

Your company has set up internal management system to oversee identification, mitigation and monitoring of company's material risk and exposures. The business risks that are continuously monitored includes, but are not limited to product, price, raw material pricing, financing, technical changes, product guarantee and insurance risks. Risk assessments, inspection and safety audits are conducted regularly.

**(f) Health, Safety & Environment:**

Your company is committed to make its manufacturing locations a safe and healthy place to work. It strives to achieve a zero impact on global and local environment. From our product line, evaporator and pollution control equipment are supplied to various industries to achieve zero liquid discharge.

Your company makes consistent efforts for providing a workplace free from occupational health risks and hygiene hazards. Such efforts translate into good health for employees.

Your company's manufacturing facility at all four units and corporate office are OHSAS 18001:2007 and ISO 9001:2008 & 14001:2004 certified.

**(g) Human Resources and Industrial Relations:**

Your company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The company is committed to nurturing, enhancing and retaining top talents through systematic learning and organization development interventions.

In our company, we consider employees as our most important asset and create an environment wherein they feel secure and positive atmosphere in the organization. We encourage our employees to involve themselves into the success of the organization by way of providing independence to take decisions, accepting their failures and success and to share their experiences with other fellow subordinates.

The company has employed 220 personnel as at 31/03/2014. All the employees are having the required qualifications to perform their jobs. Your company is providing technical guidance to skill development institutions by way of providing training to the engineering students. The industrial relations during the year continued to be cordial and peaceful.

As required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended to date, the particulars of which are given in Annexure – B which forms part of this Directors' Report.

**7. EXPORTS AND TECHNOLOGY DEVELOPMENTS**

Exports for the year were at ₹ 31.07 Crores as compared to ₹ 38.60 Crores for the previous year decreasing by almost 20% compared to the last year. The export business of your company has shown decrease due to overall recession in the international markets.

Your company is implementing latest technologies to manufacture better quality products. Improved technologies results into better quality production which enhance the reputation of the company in the domestic as well as international market.

**8. FIXED DEPOSITS**

Your company has not accepted any Fixed Deposits during the year under review. There are no Fixed Deposits pending in the Financial year under review.

**9. INSURANCE**

The assets of the company are adequately insured against the loss of fire, riot, earthquake, terrorism, etc. and other risks which are considered necessary by the management.

**10. DIRECTORS**

The Board consists of Executive and Non-executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

During the year under review, Dr. Nanalal C. Mehta, Chairman and Mr. Dady Contractor, Director have resigned from the Board of Directors of the company due to old age and health reasons. Mr. Harbhajansingh Khalsa, Director resigned from the Board of Directors of the company due to preoccupation elsewhere.

Mrs. Sheila S. Mody, Director, retires by rotation and being eligible, offer herself for re-appointment.

The Board in its meeting held on 02/08/2014, pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Act, subject to approval of shareholders, appointed Mr. Mohib Khericha, existing Independent Director, as Independent Director on the Board of Directors of the Company, for a period of five consecutive years from the date of ensuing Annual General Meeting upto the date of 29th Annual General Meeting of the company.

The Board has also recommended to shareholders the appointment of Mr. Nilesh Mankiwala and Mr. Saurin Palkiwala as Independent directors on Board of the company for a period of Five years effective from the date of ensuing Annual General meeting.

Brief resume, area of expertise and other details of terms of appointment of these Directors forms integral part of the Notice of the Annual General Meeting.

All the Independent Non-Executive Directors of the company have furnished declarations that they qualify the conditions of being Independent as per Section 149(6) & (7) of the Companies Act, 2013.

#### **11. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2014 and of the profit of the company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

#### **12. REPORT ON CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on Corporate Governance together with a certificate from the Statutory Auditors confirming compliance is set out in the Annexure forming part of Corporate Governance Report.

#### **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange earnings & outgo are given in Annexure – A which forms part of Directors' Report.

#### **14. STATUTORY AUDITORS**

M/s. Apaji Amin & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed as statutory auditors for the financial year 2014-15. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors proposed to be re-appointed.

The Company has received letters from M/s. Apaji Amin & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as Statutory Auditors of the company.

The notes to the accounts referred to in the Auditors' report are self-explanatory and, therefore, do not call for any further comments.

#### **15. COST AUDITOR**

As per the Circular of MCA Order No. F. No. 52/26/CAB-2010 dated 24/01/2012 ordering the Cost Audit of products falling under certain chapter heads of excise. Your company has appointed Mr. V.H.Shah, Cost Accountant as Cost Auditor and they have conducted the cost audit for the financial year under review.

#### **16. APPRECIATION**

Your Board takes this opportunity to express its sincere appreciation of the excellent contribution made by all its employees towards the overall performance of your company. Your Directors also thank all the shareholders, distributors, suppliers, bankers and other business associates for their valuable service and support during the year under review.

#### **17. CAUTIONARY NOTE**

The statements forming part of the Directors' Report may contain certain forward looking remarks within the meaning of applicable security laws and regulations. The actual results, performance, achievements of the company may be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements.

For and on behalf of the Board,

Place : Ahmedabad

Date : 02/08/2014

**Sorab R. Mody**  
Managing Director

## ANNEXURE – A TO DIRECTORS’ REPORT

### COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORM - B

Sr. No.	Particulars	Action taken
1.	Research & Development (R&D)	
A.	Specific areas in which R&D carried out by the company	<ul style="list-style-type: none"> <li>• Development of Multi Nozzle Boosters and Ejectors</li> <li>• Development of Vapor Absorption Chillers</li> </ul>
B.	Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> <li>• Reduction in Steam Consumption</li> <li>• New product line introduced</li> </ul>
C.	Future plan of action	Development of Vacuum Microvave/RF Driers
D.	Expenditure on R&D	Nil
	a. Capital	₹ 91.26 Lacs
	b. Recurring	₹ 91.26 Lacs
	c. Total	
	d. Total R&D expenditure as a percentage of total turnover	0.89%
2.	Technology absorption, adaptation and innovation	
A.	Efforts, in brief, made towards technology absorption, adaptation and innovation	License Agreement to be signed with CNIM to import technology for manufacturing of Absorption Refrigeration Units.
B.	Benefits derived as a result of the above efforts	N.A.
C.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
	a. Technology imported	N.A.
	b. Year of import	N.A.
	c. Has technology been fully absorbed?	N.A.
	d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	N.A.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

#### Foreign Exchange Inflow:

• Exports sales earnings	₹	30,27,37,958
• Equipment repairs income	₹	9,24,771
• Cancellation of order income	₹	1,36,51,714
<b>TOTAL</b>	₹	<b>31,73,14,443</b>

#### Foreign Exchange Outgo:

• On Foreign Travel	₹	16,46,785
• On Subscription	₹	19,087
• On Purchase of Materials	₹	3,08,54,663
• Capital goods	₹	73,918
• Other expenses	₹	1,21,312
• Payment of Dividend	₹	14,47,500
• Registration fees	₹	4,86,327
• Equipment repairs expenses	₹	7,82,068
• Sales commission expenses	₹	5,25,823
• Consultancy charges	₹	12,06,654
• Design & Drawing charges	₹	5,89,068
• Rate Difference	₹	2,85,443
<b>TOTAL</b>	₹	<b>3,80,38,648</b>

### ANNEXURE – B TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2014.

Sr. No	Name	Designation	Remuneration* (₹)	Qualification	Experience (Yrs)	Commencement of Employment	Age (Yrs)	Particulars of Last Employment/ Employer/ Last Post & Period for which post held
1.	Sorab R. Mody	Managing Director	76,68,975	B.com	35	01/12/1991	68	J.N. Marshall Ltd. – Branch Manager

\*Remuneration includes Salary, commission, Leave Travel Assistance, Medical Reimbursement & other allowances.

Place: Ahmedabad  
Dated: 02/08/2014

For and on behalf of the Board,

**Sorab R. Mody**  
Managing Director

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

The following is a report on Corporate Governance Code as implemented by your company.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in all levels of the management. Good governance practices derives from the dynamic culture and positive mindset of the organization. Endeavor towards better Corporate Governance is to enhance and enrich the values for the stakeholders.

The Company is in compliance with the requirements of guidelines on Corporate Governance as stipulated under Clause 49 of the Listing Agreement.

### 2. BOARD OF DIRECTORS

The Board of Directors ('The Board') is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board ensures that the company has clear goals in enhancing value and growth for all the stakeholders associated with the company and follows best governance practices.

#### (a) Composition of Board

The strength of the Board of directors as on 31<sup>st</sup> March, 2014 was 10 directors including 3 Executive Directors, 3 Non-executive Directors and 4 Non-executive and Independent Directors representing optimum combination of professionalism, knowledge and experience to ensure the independence of Board and to separate the Board function of governance and management.

The list of the Board Meetings held during the financial year 2013-14, attendance of the directors at the meetings and their Membership / Chairmanship in the Committees and the no. of directorships in other companies excluding Private Companies and our company are mentioned below:

Name of the Directors	Category of Directors	No. of Board Meetings		Attendance at the last AGM	No. of Directorship in other Companies	No. of Committees in which	
		Held while holding the office	Attended while holding the office			Member	Chairman
Dr. Nanalal C. Mehta (Chairman) *	Non-Executive & Independent	5	4	No	NIL	NIL	
Mr. Sorab R. Mody (Managing Director)	Promoter & Executive	5	3	Yes	NIL	NIL	
Mr. Mohib N. Khericha	Non-Executive & Independent	5	5	Yes	6	5	2
Mr. Samuel W. Croll – III	Non-Executive	5	1	No	NIL	NIL	
Mr. Dady K. Contractor **	Non-Executive & Independent	5	2	No	2	2	0
Mrs. Sheila S. Mody	Non-Executive	5	5	Yes	NIL	NIL	
Mrs. Houtoxi F. Contractor	Non-Executive	5	1	No	NIL	NIL	
Mr. Harbhajansingh B. Khalsa *	Non-Executive & Independent	5	4	No	NIL	NIL	
Mr. Percy X. Avari	Executive	5	5	Yes	NIL	NIL	
Mrs. Shanaya M. Khatua	Executive	5	1	No	NIL	NIL	

#### Notes:

These numbers exclude the directorship/committee membership held in the company and in private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 (corresponding Section 8 of the Companies Act, 2013) and alternate directorship. Further, it includes only the chairmanship/membership of the Audit Committee, Shareholders' Grievance Committee & Remuneration Committee.

\* resigned from Directorship w.e.f. 29/05/2014

\*\* resigned from Directorship w.e.f. 27/05/2014

**(b) Remuneration of directors**

Non-executive directors are paid sitting fees only for their directorship in your company. The details of remuneration paid to directors for the year ended 31<sup>st</sup> March, 2014 are as follows:

Name of Directors	Sitting Fees (₹)	Salaries, Perquisites & Other allowances (₹)	Commission (₹)	Total (₹)
Dr. Nanalal C. Mehta (Chairman)	70,000	NIL	NIL	70,000
Mr. Sorab R. Mody (Managing Director)	NIL	35,52,400	41,16,575	76,68,975
Mr. Mohib N. Khericha	90,000	NIL	NIL	90,000
Mr. Samuel W. Croll – III	10,000	NIL	NIL	10,000
Mr. Dady K. Contractor	20,000	NIL	NIL	20,000
Mrs. Sheila S. Mody	98,000	NIL	NIL	98,000
Mrs. Houtoxi F. Contractor	10,000	NIL	NIL	10,000
Mr. Harbhajansingh B. Khalsa	70,000	NIL	NIL	70,000
Mr. Percy X. Avari	NIL	35,52,400	13,72,192	49,24,592
Mrs. Shanaya Mody Khatua	NIL	35,52,400	13,72,192	49,24,592

**(c) Details of Board Meetings held during the year:**

The Board meets at least once in a quarter inter-alia to review the performance of the company and consideration of quarterly financial results. Five Board meetings were held in a year, are as follows:

25 May 2013      03 August 2013      31 October 2013      29 November 2013      5 February 2014

**3. REMUNERATION COMMITTEE**

In the year under review, the remuneration Committee comprises of Mr. Mohib N. Khericha, Dr. Nanalal C. Mehta and Mr. Harbhajansingh B. Khalsa, who are non-executive & independent directors, reviews and makes recommendations on remuneration package, terms of the service agreement and commission payable to the Executive directors.

As per the Companies Act, 2013 the committee has been re-constituted with nomenclature as Nomination & Remuneration Committee with Mrs. Sheila Mody as Chairperson of the Committee and Mr. Mohib Khericha & Mr. Saurin Palkhiwala as members of the Committee.

There is no meeting held during the year under review.

**4. AUDIT COMMITTEE**

In the year under review, the Audit Committee is comprised of Dr. Nanalal C. Mehta, Mr. Mohib N. Khericha and Mr. Harbhajansingh B. Khalsa. Wherein, Mr. Mohib N. Khericha acts as a Chairman of the Audit Committee. The Company Secretary acts as the secretary to the Committee. All the members of the Audit Committee are non-executive and independent directors.

The members possess adequate knowledge of Accounts, Audit, and Finance. The composition of Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and of clause 49 of the Listing Agreement.

**Major Terms of Reference of the Audit Committee**

The terms of reference of this Committee include matters specified in the Companies Act, 1956, Listing Agreement and those specified by the Board in writing. The Audit Committee of the company is entrusted with the responsibility to supervise the company's internal controls and financial reporting process.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Oversight of the Company's financial reporting process and disclosure of its financial information.
- Reviewing with the Management the quarterly, half-yearly and the annual financial statements before submission to the Board.
- Review of the adequacy of internal control systems with the Management, internal auditors and statutory auditors.

- Reviewing the adequacy of internal audit function.
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees.
- Discussion with statutory auditors about the scope of audit as well as have pre-audit discussion to ascertain any area of concern.
- Review of company's financial risk and management policies.
- Carrying out such other functions as may be specified by the Board from time to time.

**Details of Audit Committee meetings and attendance:**

During the year under review, Four Audit Committee meetings were held on the following dates:

25 May 2013                      03 August 2013                      31 October 2013                      5 February 2014

Mr. Mohib N. Khericha was present in all the meetings. Dr. Nanalal C. Mehta and Mr. Harbhajansingh Khalsa has attended all the meetings except the meeting held on 3<sup>rd</sup> August, 2013 and 31<sup>st</sup> October, 2013 respectively. The Chairman of the Audit Committee has attended the Annual General Meeting of the company.

The Audit Committee has been reconstituted with Mr. Mohib Khericha as Chairman of the Committee and Mrs. Sheila Mody and Mr. Saurin Palkhiwala as members of the Committee.

**5. SHAREHOLDERS' GRIEVANCE / SHARE TRANSFER COMMITTEE**

The Shareholders' Grievance/ Share Transfer Committee are constituted by the Board of Directors which consists of following Directors viz. Dr. Nanalal C. Mehta, Mr. Percy X. Avari and Mrs. Sheila S. Mody.

During the year, the Committee met as and when required and all the members attended the meetings. The Committee looks into the redressal of Shareholders' Grievances, which are summarized as follows:

- Approving transfer and transmission of shares
- Issue of duplicate share certificates
- Approving split and consolidation of requests
- Reviewing dematerialization of shares
- All other matters related to shareholders

All other queries like non-receipt of Annual Reports, dividends, change of addresses etc., were resolved to the satisfaction of the shareholders. During the year, 23 complaints were received from the Shareholders which have been resolved to the satisfaction of the shareholders. There was no outstanding complaint at the beginning of the year or at the end of the year.

**6. GENERAL BODY MEETINGS**

The details of the Annual General Meetings held during the last three years are as follows:

Meeting	Year	Venue	Date & Time	No. of Special resolution
23 <sup>rd</sup> AGM	2012-2013	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	17 <sup>th</sup> September, 2013 at 9.30 A M	No
22 <sup>nd</sup> AGM	2011-2012	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	25 <sup>th</sup> September, 2012 at 9.30 A M	No
21 <sup>st</sup> AGM	2010-2011	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	27 <sup>th</sup> September, 2011 at 9.30 A M	No

**7. DISCLOSURES**

- There are no transactions of a materially significant nature with the promoters, the Directors or the Management or relatives that may have potential conflict with the interest of the company at large. Related party transactions are disclosed in the Note No. 33 Forming Parts of Accounts in this Annual Report.
- The disclosures required under clause 49 of the listing agreement related to directors shareholding is given in Notice of the Annual General Meeting.
- The company has complied with the requirements of the stock exchanges, SEBI, statutory authorities on all matter related to capital markets during the last three years. There are no penalties or strictures imposed on the company by them.



- The Company has adequate risk assessment and minimization system in place. The risk management procedure is reviewed in the Board Meetings periodically.
- The company has implemented the Whistle Blower policy and the same has been reviewed by the Audit Committee. No complaints have been received under the policy during the financial year under review. In the opinion of the Board there are no cases where a person was denied access to the grievance process set up by the company.
- The company has a well-defined 'Code of Business Conduct' applicable to all the Board members and senior management personnel. The compliance to 'Code of Business Conduct' has been affirmed by the Managing Director of the company. The certificate for the affirmation to the same forms part of the Corporate Governance Report.
- A certificate from the Managing Director and Chief Financial Officer on the financial statements of the company in terms of clause V of clause 49 of the Listing Agreement with the stock exchanges was placed before the Board of Directors and the same forms part of Corporate Governance Report.
- The Board receives on a quarterly basis, certificates of compliance with the provisions of all applicable laws from the Managing Director and Compliance officer, which are taken on record by the Board.
- As stipulated by SEBI guidelines, a qualified Company Secretary carries out secretarial audit to reconcile to total admitted capital with NSDL and CDSL and total issued and listed capital. This audit is carried out every quarter and the report is submitted to the stock exchanges.
- Mazda Limited has complied with mandatory requirements of Corporate Governance Code. The Board has set up Remuneration Committee and implemented Whistle Blower Policy. The company would review implementation of other non-mandatory requirements of Corporate Governance Code in due course of time. Auditors' certificate regarding compliance of Corporate Governance Code for the financial year 2013-14 forms part of the Corporate Governance Report.

#### 8. MEANS OF COMMUNICATION

- |   |   |
|---|---|
| • Half-Yearly report sent to each household of shareholders                           | No  |
| • Quarterly Results –<br>Newspapers in which normally published                       | Business Standard (English & Gujarati edition)  |
| • Web site, where displayed   | At companies Web site<br><a href="http://www.mazdalimited.com">www.mazdalimited.com</a> |
| • Presentation made to Institutional Investors or to Analysts                         | No  |
| • Whether Management Discussion and Analysis Report is a part of Annual Report or not | Yes   |

#### 9. GENERAL SHAREHOLDERS INFORMATION

- |  |  |
|--|--|
| • AGM – Date   | Tuesday 30 <sup>th</sup> September, 2014   |
| – Time   | 9.30 AM  |
| – Venue  | C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad- 382 330  |
| • Financial Calendar (Tentative)                     | April 2014 to March 2015   |
| (a) First Quarter Results                            | First week of August 2014  |
| (b) Second Quarter Results                           | First week of November 2014  |
| (c) Third Quarter Results                            | First week of February 2015  |
| (d) Fourth Quarter results                           | Last week of May 2015  |
| (d) Results for the year ending March 2015 (Audited) | May 2015   |
| • Date of Book Closure                               | 13 <sup>th</sup> September, 2014 to 27 <sup>th</sup> September, 2014 (Both days inclusive) |
| • Dividend Payment Date (Tentative)                  | 15 <sup>th</sup> October, 2014   |

- Listing on Stock Exchanges - Bombay Stock Exchange Limited  
- Ahmedabad Stock Exchange Limited  
Listing fees for the period 2014-2015 has been paid to the stock exchanges.
- Stock Code Bombay Stock Exchange Limited: 523792  
Ahmedabad Stock Exchange Limited: 36100
- Demat ISIN No. For NSDL and CDSL INE885E01034
- CIN L29120GJ1990PLC014293
- Registrar and Share Transfer Agent Sharepro Services (I) Pvt. Ltd.  
13 AB, Samhita Warehousing Complex, Sakinaka Telephone  
Exchange Lane, Andheri Kurla Road, Sakinaka, Mumbai-400 072  
Phone No: (022) 67720300
- Share Transfer System Transfers of Shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee, which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respects.
- Name and email address of the Compliance officer of the company Mr. Nishith C. Kayasth  
Company Secretary  
Email [nishith@mazdalimited.com](mailto:nishith@mazdalimited.com)
- Dematerialization of shares and liquidity 91.22% of the paid-up capital has been dematerialized as on March 31, 2014.
- Plant Location
  - Unit-I** C/1-39/13/16 GIDC, Naroda, Ahmedabad- 382 330
  - Unit-II** Plot No. 11 & 12, Hitendranagar Sahakari Vasahat Ltd., N.H. Road, Naroda, Ahmedabad- 382 340
  - Unit-III** C/1, A-5, GIDC, Odhav, Ahmedabad- 382 415
  - Unit-IV** Plot No. 17/1, Phase-III, GIDC, Naroda, Ahmedabad - 382 330
- Address for correspondence Mazda Limited: Corporate Office: Mazda House, 650/1 Panchwati 2<sup>nd</sup> Lane, Ambawadi, Ahmedabad- 380 006

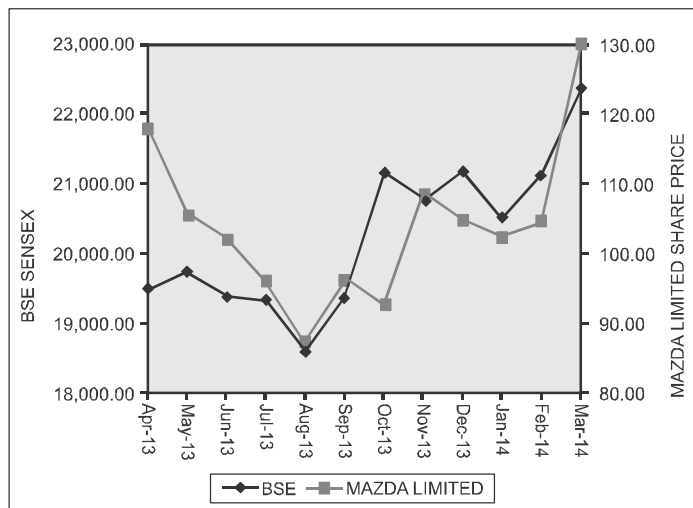
- Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant for any queries related to change of address or change in bank mandate.

• **Monthly Highs and Lows of Market Price of the Company's Shares Traded on BSE Limited for the period April 2013 to March 2014:**

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April, 2013	126.70	113.15
May, 2013	126.00	105.60
June, 2013	119.90	91.00
July, 2013	111.60	94.00
August, 2013	100.00	80.10
September, 2013	98.30	81.55
October, 2013	100.00	89.30
November, 2013	109.90	91.25
December, 2013	118.90	102.00
January, 2014	118.85	101.00
February, 2014	112.50	100.00
March, 2014	139.00	102.60

Source: BSE Website

• **Stock Price Performance in comparison to BSE Sensex**



- Shareholding pattern as on March 31, 2014

Categories	No. of Shares held	% of Total Shareholding
<b>Promoter's Holding</b>		
Promoters and its group - Indian	16,79,894	39.45
Foreign Promoters	NIL	NIL
<b>Sub – Total</b>	<b>16,79,894</b>	<b>39.45</b>
<b>Non – promoter's Holding</b>		
Mutual Funds	9,230	0.22
Banks	800	0.02
Domestic companies	2,43,199	5.71
Indian Public	19,06,530	44.77
NRI's	1,28,847	3.03
Foreign Company	2,89,500	6.80
<b>Sub – Total</b>	<b>27,90,689</b>	<b>65.54</b>
<b>GRAND TOTAL</b>	<b>42,58,000</b>	<b>100.00</b>

- Distribution of shareholding as on March 31, 2014

Shareholding			Shareholders		No. of shares	
			Folios	% of total Nos.	Shares	% of total shares
Less than	500		3325	86.66	4,12,031	9.68
501 To	1000		226	5.89	1,87,111	4.39
1001 To	2000		127	3.31	1,93,767	4.55
2001 To	3000		43	1.12	1,09,393	2.57
3001 To	4000		16	0.42	59,064	1.39
4001 To	5000		22	0.57	1,01,149	2.37
5001 To	10000		40	1.04	2,83,477	6.66
10001 And	above		38	0.99	29,12,008	68.39
<b>Total</b>			<b>3837</b>	<b>100.00</b>	<b>42,58,000</b>	<b>100.00</b>

- Transfer to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956 the unpaid/unclaimed dividend pertaining to the financial year 2005-06 declared as final dividend of ₹ 65,873/- was lying in the company's separate unpaid dividend account and remaining unclaimed for a period of seven years, was transferred to the IEPF.

For and on behalf of the Board,

Place: Ahmedabad  
Date: 02/08/2014

**Sorab R. Mody**  
Managing Director

#### AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

To,  
The Members of the company

The Board of Directors of the company has adopted a Code of Conduct for all the Board members and senior executives of the company, including the Managing Director have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended 31<sup>st</sup> March, 2014.

Place : Ahmedabad  
Date : 02/08/2014

**Sorab. R. Mody**  
Managing Director



## CERTIFICATION BY MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER OF THE COMPANY

To,  
The Board of Directors

We to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief :
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We further certify that :
  - a. there have been no significant changes in internal control over financial reporting during the year;
  - b. there have been no significant changes in accounting policies during the year and the same have been disclosed in notes to the financial statements; and
  - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Ahmedabad  
Date : 02/08/2014

**Cyrus J. Bhagwagar**  
Chief Financial Officer

**Sorab R. Mody**  
Managing Director

## COMPLIANCE CERTIFICATE FOR CORPORATE GOVERNANCE

**To the members of Mazda Limited,**

We have examined the compliance of conditions of Corporate Governance by Mazda Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

We state that in respect of investors grievances received during the year ended 31<sup>st</sup> March, 2014, no investor grievances were pending as per the records maintained by the Shareholders / investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For APAJI AMIN & CO.**  
Chartered Accountants  
Firm Registration No. 100513W

Place: Ahmedabad  
Date: 02/08/2014

**Tehmul Sethna**  
Partner  
Membership No. 35476



## Independent Auditors' Report

### To the Members of MAZDA LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **MAZDA LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditors Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report is in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For APAJI AMIN & CO.**  
**Chartered Accountants**  
**Firm Registration No : 100513W**

**Place: Ahmedabad**  
**Date: 29/05/2014**

**Tehmul Sethna**  
**Partner**  
**Membership No: 35476**

## Annexure to Independent Auditors Report:

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of **Mazda Limited** on the Financial Statements as of and for the year ended March 31, 2014

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. The Company has not disposed of substantial part of fixed assets during the year; accordingly the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
  - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
  - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms and other parties covered in the register maintained under section 301 of the Act. Accordingly, clause 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
  - b. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms and other parties covered in the register maintained under section 301 of the Act.
  - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - d. In respect of loans taken by the Company in earlier years, the interest payments are regular and the principal amount is repayable on demand.
  - e. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control systems.
5. In respect of the contracts or arrangements referred to in Section 301 of the Act.
  - a. According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that Section; and
  - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements an exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations provided to us, the company has not accepted deposits from the public. Therefore the provision of the clause 4(vi) of the order is not applicable to the company.

7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other Statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the balance sheet date.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ society are not applicable to the Company.
14. The Company has no transactions relating to trading in securities, debentures and other investments.
15. According to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us on an overall basis, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. During the period covered by Audit Report, the company has not issued any debentures. Therefore, a provision of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**For APAJI AMIN & CO.**  
**Chartered Accountants**  
**Firm Registration No : 100513W**

**Place: Ahmedabad**  
**Date: 29/05/2014**

**Tehmul Sethna**  
**Partner**  
**Membership No: 35476**



## BALANCE SHEET AS AT 31ST MARCH, 2014

Sr. No.	Particulars	Notes	AS AT 31/03/2014 ₹	AS AT 31/03/2013 ₹
<b>I</b>	<b><u>Equity and Liabilities</u></b>			
1	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	42,580,000	42,580,000
	(b) Reserves and Surplus	4	790,101,437	714,966,269
			<b>832,681,437</b>	757,546,269
2	<b>Non-current Liabilities</b>			
	(a) Deferred Tax Liabilities (net)	5	21,284,728	18,656,509
	(b) Long Term Provisions	6	354,164	425,886
			<b>21,638,892</b>	19,082,395
3	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	7	39,425,469	24,132,533
	(b) Trade Payables	8	143,086,108	75,259,832
	(c) Other Current Liabilities	9	80,642,665	37,586,625
	(d) Short Term Provisions	10	46,468,192	44,302,381
			<b>309,622,434</b>	181,281,371
	<b>TOTAL</b>		<b>1,163,942,763</b>	957,910,035
<b>II</b>	<b><u>Assets</u></b>			
1	<b>Non-current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	195,132,894	197,400,869
	(ii) Intangible Assets	12	3,069,094	1,897,476
	(iii) Intangible Assets under Development	12	1,469,750	1,469,750
	(b) Long Term Loans and Advances	13	52,087,859	49,779,219
			<b>251,759,597</b>	250,547,314
2	<b>Current Assets</b>			
	(a) Current Investments	14	297,111,755	189,653,344
	(b) Inventories	15	250,129,179	162,356,104
	(c) Trade Receivables	16	219,884,141	241,949,636
	(d) Cash and Cash Equivalents	17	56,949,907	58,853,726
	(e) Short Term Loans and Advances	18	62,081,745	45,317,207
	(f) Other Current Assets	19	26,026,439	9,232,704
			<b>912,183,166</b>	707,362,721
	<b>TOTAL</b>		<b>1,163,942,763</b>	957,910,035
	Summary of Significant Accounting Policies	2		

The Accompanying Notes are an integral part of the Financial Statements.

As per our attached report of even date

For and on behalf of the Board of Directors of Mazda Limited

For **APAJI AMIN & CO.**,  
Chartered Accountants

Firm Registration No. : 100513W

Sorab Mody  
Managing Director

Percy Avari  
Whole-Time Director

Mohib Khericha  
Director

**Tehmul Sethna**  
Partner

Membership No.: 35476

Cyrus Bhagwagar  
Chief Financial Officer

Nishith Kayasth  
Company Secretary

Place : Ahmedabad

Date : 29/05/2014

Place : Ahmedabad

Date : 29/05/2014



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

Sr. No.	Particulars	Notes	Year Ended 31/03/2014 ₹	Year Ended 31/03/2013 ₹
<b>I</b>	<b>Revenue</b>			
	Revenue from Operations (Gross)	20	1,119,912,310	1,309,714,741
	Less: Excise Duty		90,001,598	99,771,289
	Revenue from Operations (Net)		1,029,910,712	1,209,943,452
	Other Income	21	20,797,901	15,528,441
	<b>Total Revenue (I)</b>		<b>1,050,708,613</b>	<b>1,225,471,893</b>
<b>II</b>	<b>Expenses</b>			
	Cost of Raw Materials and Packing Materials Consumed	22	631,162,222	642,100,262
	(Increase) / decrease in Finished, Traded and WIP Inventories	23	(68,585,222)	33,186,500
	Manufacturing Expenses	24	111,573,290	134,106,923
	Employee Benefits Expenses	25	110,809,456	100,169,138
	Administrative and General Expenses	26	59,854,417	58,715,367
	Selling and Marketing Expenses	27	33,998,626	47,802,766
	Other Expenses	28	998,251	950,450
	<b>Total Expenses (II)</b>		<b>879,811,039</b>	<b>1,017,031,406</b>
<b>III</b>	<b>Earnings before Interest, Tax, Depreciation and Amortisation ( I - II )</b>		<b>170,897,573</b>	<b>208,440,487</b>
<b>IV</b>	Depreciation and Amortisation Expenses	11,12	13,527,682	14,292,293
<b>V</b>	Finance Costs	29	9,429,797	6,371,148
<b>VI</b>	<b>Profit Before Exceptional Items &amp; Tax (III-IV-V)</b>		<b>147,940,094</b>	<b>187,777,046</b>
<b>VII</b>	<b>Exceptional Item -Prior Period Items</b>		<b>(143,926)</b>	<b>(260,048)</b>
<b>VIII</b>	<b>Tax Expenses</b>			
	(i) Current Tax		42,600,000	57,300,000
	(ii) Deferred Tax		2,628,219	4,147,000
	(iii) Excess Provision of Earlier Years		-	2,359,916
	(iv) Wealth tax		33,722	54,451
	<b>Total Tax Expenses</b>		<b>45,261,941</b>	<b>63,861,367</b>
<b>IX</b>	<b>Net Profit for the Year (VI-VII-VIII)</b>		<b>102,534,227</b>	<b>123,655,631</b>
	<b>Earnings Per Equity Share:</b>			
	<b>Basic and Diluted (in ₹)</b>			
	[Nominal value of Share ₹ 10 (March 31, 2013: ₹ 10)]			
	EPS before Extra ordinary items	32	24.08	29.04
	EPS after Extra ordinary items	32	24.08	29.04
	Summary of Significant Accounting Policies	2		

The Accompanying Notes are an integral part of the Financial Statements.

As per our attached report of even date

For and on behalf of the Board of Directors of Mazda Limited

For APAJI AMIN & CO.,  
Chartered Accountants

Firm Registration No. : 100513W

Sorab Mody  
Managing Director

Percy Avari  
Whole-Time Director

Mohib Khericha  
Director

Tehmul Sethna  
Partner

Membership No.: 35476

Cyrus Bhagwagar  
Chief Financial Officer

Nishith Kayasth  
Company Secretary

Place : Ahmedabad

Date : 29/05/2014

Place : Ahmedabad

Date : 29/05/2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Sr. No.	Particulars	Year Ended 31/03/2014 ₹	Year Ended 31/03/2013 ₹
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit / (Loss) before extraordinary items and tax</b>	<b>147,940,094</b>	187,777,046
	<i>Adjustments for:</i>		
	Depreciation and amortisation	<b>13,527,682</b>	14,292,293
	(Profit) / loss on sale / write off of assets	<b>301,964</b>	(19,438)
	Interest Income	<b>(2,404,337)</b>	(2,511,404)
	Loss on revaluation of Mutual Fund	<b>212,554</b>	950,450
	Donation	<b>125,100</b>	1,663,200
	Dividend Income	<b>(811,382)</b>	(6,575,057)
	(Gain)/Loss on Forward Contracts	<b>4,642,802</b>	651,524
	(Gain)/Loss on Sale of short term Investments	<b>785,699</b>	(789,548)
	(Gain)/Loss on Sale of long term Investments	<b>(11,209,748)</b>	-
	Interest paid	<b>549,651</b>	488,789
	Security transaction Tax expenses	<b>25,546</b>	14,683
	Net unrealised exchange (gain) / loss	<b>1,675,538</b>	390,393
		<b>7,421,069</b>	8,555,885
	<b>Operating profit / (loss) before working capital changes</b>	<b>155,361,163</b>	196,332,931
	<i>Changes in working capital:</i>		
	<i>Adjustments for (increase) / decrease in operating assets:</i>		
	Trade receivables	<b>22,065,496</b>	(6,952,027)
	Short-term loans and advances	<b>(16,764,538)</b>	2,906,216
	Long-term loans and advances	<b>(1,850,259)</b>	437,065
	Inventories	<b>(87,773,075)</b>	33,184,330
	Other current assets	<b>(15,793,008)</b>	-
	<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
	Trade payables	<b>67,826,276</b>	(50,086,922)
	Other current liabilities	<b>43,056,038</b>	(5,712,964)
	Long-term provisions	<b>(71,722)</b>	(3,858,441)
	Short-term provisions -Employees benefit payable	<b>(304,283)</b>	-
	Net unrealised exchange (gain) / loss	<b>(1,675,538)</b>	(390,393)
		<b>8,715,387</b>	(30,473,136)
	<i>Cash flow from extraordinary items :</i>		
	Donation	<b>(125,100)</b>	(1,663,200)
	Prior Period Adjustment	<b>(143,926)</b>	(260,048)
		<b>(269,026)</b>	(1,923,248)
	<b>Cash generated from operations</b>	<b>163,807,524</b>	163,936,547
	Net income tax (paid) / refunds	<b>(43,112,829)</b>	(56,396,429)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>120,694,695</b>	107,540,118

Sr. No.	Particulars	Year Ended 31/03/2014 ₹	Year Ended 31/03/2013 ₹
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Capital expenditure on fixed assets, including capital advances	(13,258,290)	(22,330,962)
	Proceeds from sale of fixed assets	525,000	32,700
	Purchase of current investments	(340,811,383)	(226,575,058)
	<b>Current Investments not considered as Cash and Cash equivalents :</b>		
	Proceeds from sale	243,538,920	175,078,104
	Interest received	1,403,610	1,670,590
	Dividend Income	811,382	6,575,057
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(107,790,761)</b>	<b>(65,549,569)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	<u>Net increase / (decrease) in working capital borrowings :</u>		
	Dividend Paid	(21,290,000)	(17,032,000)
	Dividend Distribution tax	(3,618,236)	(2,763,016)
	Interest paid	(549,651)	(488,789)
	Gain/(Loss) on Forward Contracts	(4,642,802)	(651,524)
	Payments of Long term borrowings	-	(1,500,000)
	Proceeds from short term borrowings	15,292,936	14,033,723
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(14,807,753)</b>	<b>(8,401,606)</b>
	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,903,819)</b>	33,588,943
	Cash and cash equivalents at the beginning of the year	58,853,726	25,264,783
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
	<b>Cash and cash equivalents at the end of the year [Note No. 17]</b>	<b>56,949,907</b>	58,853,726

**Notes :**

- The cash flow statement has been prepared under the "Indirect Method" as set out in accounting standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- The previous year's figures have been regrouped wherever necessary to make them comparable with this year's figures.

As per our attached report of even date

For APAJI AMIN & CO.,  
Chartered Accountants  
Firm Registration No. : 100513W

Tehmul Sethna  
Partner  
Membership No.: 35476

Place : Ahmedabad  
Date : 29/05/2014

For and on behalf of the Board of Directors of Mazda Limited

Sorab Mody  
Managing Director

Cyrus Bhagwagar  
Chief Financial Officer

Place : Ahmedabad  
Date : 29/05/2014

Percy Avari  
Whole-Time Director

Nishith Kayasth  
Company Secretary

Mohib Khericha  
Director



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

### 1 CORPORATE INFORMATION

Mazda Limited (the 'Company') is a public limited company incorporated in 1990 under provisions of the Companies Act, 1956. The Company is an Engineering company engaged in the business of manufacturing and sales of Vacuum Systems, Condensers, Steam Jet Ejectors, L.P. Heaters, H.P. Heaters, Evaporators and Pollution Control Equipments. The Company's Head quarters and four manufacturing plants are located in Ahmedabad, Gujarat State. The Company sells its products in the domestic as well as export markets. The equity shares of the Company are listed on the Bombay Stock Exchange Limited(BSE) and Ahmedabad Stock Exchange Limited(ASE).

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

#### (b) Presentation & Disclosure of financial statements

During the year ended March 31, 2014, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However it has a significant impact on the presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

#### (c) Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises Purchase Price, Borrowing Costs if capitalization criteria are met and any other directly attributable cost of bringing the asset to its working condition for the intended use, net off of any trade discounts and rebates. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized. Capital assets under erection/installation are stated in the Balance Sheet as "Capital Work-in-Progress".

#### (d) Intangible Assets

Intangible Assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on a Straight-line basis over the estimated useful economic life. Computer Software is being depreciated on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

#### (e) Research and Development

Revenue expenditure pertaining to Research & Development is charged to revenue under respective heads of accounts in the year in which they are incurred. Capital Expenditure on Research & Development is shown as an addition to Fixed Assets.

#### (f) Depreciation

- (i) Depreciation on fixed assets is provided on straight line method at the rates provided by Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on assets acquired / sold during the year has been provided on pro-rata basis.
- (iii) Assets costing individually ₹ 5,000 or less are depreciated fully in the year of acquisition.

#### (g) Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indications exist, the carrying value of such assets is reduced to its estimated recoverable

amount and the amount of such impairment loss is charged to Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment losses no longer exist, than such loss is reversed and the asset is restated to that effect.

**(h) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. All leases are cancellable in nature and subject to renewal each year.

**(i) Investments**

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Investments in share of foreign subsidiaries are reported in Indian Currency at the rate of exchange prevailing on the date of transaction. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**(j) Inventories**

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods.

- (i) Finished products produced by the Company are valued at lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and Excise duty has been charged on finished goods.
- (ii) Work-in-Progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.
- (iii) Raw materials and stores and spares: Raw materials and stores and spares are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

**(k) Revenue Recognition**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery :

**(i) Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of goods. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arised during the year. Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in bonded warehouse. VAT and Sales Tax are charged to Revenue.

**(ii) Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(iii) Export Incentives**

Export Incentives are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**(iv) Other Income**

Revenue in respect of other income is recognized when no significant uncertainty as to measurability or collectability exists.

**(v) Services**

Income from services is recognized when the services are rendered.

**(vi) Dividend**

Dividend Income is recognized when the right to receive dividend is established.

**(l) Expenditure during Construction period**

Expenditure during construction period is included under capital work-in- progress and the same is allocated to the respective fixed assets on completion of construction.

**(m) Foreign Currency Transaction**

- (i) Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- (ii) Conversion: At the year end, monetary items denominated in foreign currencies other than those covered by forward contracts are converted into rupee equivalents at the year-end exchange rates.
- (iii) Forward Exchange Contracts: In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the period of the contract.
- (iv) Exchange Differences: All exchange differences arising on settlement/Conversion of foreign Currency transactions are recognized in the Profit and Loss Account.

**(n) Retirement and Other Employee Benefits**

**(i) Gratuity**

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**(ii) Leave Encashment**

Provision for Leave Encashment, which are expected to be availed and encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of leave encashment as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Leave encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(iii) Provident Fund :**

Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss account as incurred. The contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.

**(o) Income Taxes**

Tax Expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred Income Taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Income Taxes reflect the impact of Timing Differences between Taxable Income and Accounting Income originating during the Current Year and reversal of timing differences for the earlier years. Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(p) Earnings Per Share**

The Company reports basic Earning Per Share (EPS) in accordance with Accounting Standard 20 on Earning Per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus and preferential issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(q) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash on hand, cash at bank, short-term investments with an original maturity of three months or less and remittances in transit.

**(r) Derivative Instruments**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income during the same period in which transaction occurs. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. The Company does not enter into forward contracts for trading or speculation purpose.

**(s) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(t) Contingent Liabilities**

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(u) Borrowing Costs**

Borrowing costs that are attributable to the acquisitions or construction of fixed assets for expansion/new project are capitalized to respective fixed assets. Other borrowing costs are charged to revenue in the year in which they are incurred.

**(v) Segment Reporting - Identification of Segment**

The Company's operating businesses are organized and managed separately according to the nature of products and activities, with each segment representing a strategic business unit that has different products and activities. The analysis of geographical segments is based on the geographical location of the customers. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

**(w) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of Profit / (Loss) from continuing operations. In its measurement, the Company does not include Depreciation and Amortization expense, Finance Costs and Tax expenses.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

### 3 SHARE CAPITAL

	March 31, 2014		March 31, 2013	
	No.	₹	No.	₹
<b><u>Authorised Shares</u></b>				
Equity Shares of ₹ 10 each	5,000,000	50,000,000	5,000,000	50,000,000
	5,000,000	50,000,000	5,000,000	50,000,000
<b><u>Issued, Subscribed and Fully Paid-up Shares</u></b>				
Equity Shares of ₹ 10 each fully paid- up	4,258,000	42,580,000	4,258,000	42,580,000
<b>TOTAL</b>	<b>4,258,000</b>	<b>42,580,000</b>	<b>4,258,000</b>	<b>42,580,000</b>

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the year**

	March 31, 2014		March 31, 2013	
	No.	₹	No.	₹
<b>Equity Shares</b>				
At the Beginning of the year	4,258,000	42,580,000	4,258,000	42,580,000
<b>Outstanding at the End of the year</b>	<b>4,258,000</b>	<b>42,580,000</b>	<b>4,258,000</b>	<b>42,580,000</b>

(b) **Details of shareholders holding more than 5% Shares in the Company**

	March 31, 2014		March 31, 2013	
	No. shares	% Holding in the Class	No. shares	% Holding in the Class
<b>Equity Shares</b>				
Sorab R. Mody	1,103,572	25.92	965,989	22.69
Shanaya Mody Khatua	425,622	10.00	425,622	10.00
Croll Reynolds International Inc.	289,500	6.80	289,500	6.80
	<b>1,818,694</b>	<b>42.72</b>	<b>1,681,111</b>	<b>39.49</b>

- (c) The Company has only one class of equity shares having a par value of ₹10 per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (d) For current financial year the Dividend Proposed to be distributed to equity shareholders ₹5.50 per Share (Previous Year ₹ 5 per Share as final dividend). The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting and Company pays the same in Indian Rupees.
- (e) There are no shares allotted as fully paid up during the period of five years immediately preceding the reporting date i.e. 31/03/2014.



	AS AT 31/03/2014 ₹	AS AT 31/03/2013 ₹
<b>4 RESERVES AND SURPLUS</b>		
<b>(a) Capital Reserve</b>		
Balance as per Last Financial Statements	424,937	424,937
<b>Closing Balance</b>	<b>424,937</b>	<b>424,937</b>
<b>(b) Security Premium Account</b>		
Balance as per Last Financial Statements	30,000,000	30,000,000
<b>Closing Balance</b>	<b>30,000,000</b>	<b>30,000,000</b>
<b>(c) Capital Buyback Reserve</b>		
Balance as per Last Financial Statements	4,168,000	4,168,000
<b>Closing Balance</b>	<b>4,168,000</b>	<b>4,168,000</b>
<b>(d) General Reserve</b>		
Balance as per Last Financial Statements	74,510,750	62,010,750
Add: Transferred from Statement of Profit and Loss	12,500,000	12,500,000
<b>Closing Balance</b>	<b>87,010,750</b>	<b>74,510,750</b>
<b>(e) Surplus</b>		
<b>Balance as per Last Financial Statements</b>	<b>605,862,582</b>	<b>519,615,187</b>
Net Profit/ (Net Loss) for the year	102,534,227	123,655,631
Less: Appropriations:		
Proposed Final Dividend		
- On Equity Shares [₹ 5.50 per share (March 31, 2013: ₹ 5.00)]	23,419,000	21,290,000
Tax on Proposed Dividend		
- On Equity Shares	3,980,059	3,618,236
Transfer to General Reserve	12,500,000	12,500,000
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>668,497,750</b>	<b>605,862,582</b>
<b>GRAND TOTAL</b>	<b>790,101,437</b>	<b>714,966,269</b>
<b>5 DEFERRED TAX LIABILITIES (NET) - NON CURRENT</b>		
<b>Deferred Tax Liability</b>		
Impact of Difference between depreciation/ amortisation as per Income Tax and charged for the Financial Reporting	20,619,722	18,571,600
Gratuity	785,386	229,667
<b>Gross Deferred Tax Liabilities</b>	<b>21,405,108</b>	<b>18,801,267</b>
<b>Deferred Tax Asset</b>		
Leave encashment	120,380	144,758
<b>Gross Deferred Tax Assets</b>	<b>120,380</b>	<b>144,758</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>21,284,728</b>	<b>18,656,509</b>

	AS AT 31/03/2014 ₹	AS AT 31/03/2013 ₹
<b>6 LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	354,164	425,886
	<b>354,164</b>	425,886
<b>7 SHORT-TERM BORROWINGS</b>		
Secured Borrowings From Banks:		
SBI Packing Credit Facilities (PCFC) (secured) *	39,425,469	24,132,533
	<b>39,425,469</b>	24,132,533
The above amount includes:		
Secured Borrowings	39,425,469	24,132,533
	<b>39,425,469</b>	24,132,533
* Cash credit facility, Export Packing Credit facility from the State Bank of India are secured by the Pledge/Hypothecation of stock, book debts and equitable mortgage of the assets of the company and collateral security of premise owned by Mr. S.R Mody, situated at Odhav GIDC and also personally guaranteed by Mr. S.R.Mody, who is the Managing Director of the company.		
<b>8 TRADE PAYABLES</b>		
Dues to Related Parties (Note 33)	6,088,076	1,163,526
Other Payables	136,998,032	74,096,306
<i>(Refer Note 36 for details of Dues to Micro &amp; Small Enterprises)</i>		
	<b>143,086,108</b>	75,259,832
<b>9 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	47,907,171	19,084,634
Unclaimed Dividends	1,387,551	1,152,022
Deffered Premium Account	343,961	-
Forward Contracts	22,823,326	7,591,406
Statutory dues including Provident Fund & Tax deducted at Source	4,734,861	7,204,564
Other Payable	3,445,795	2,553,999
	<b>80,642,665</b>	37,586,625
There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at March 31, 2014.		
<b>10 SHORT TERM PROVISIONS</b>		
Employee Benefits Payable	19,035,411	19,339,694
Provision for Wealth Tax (net of advances)	33,722	54,451
Proposed Equity Dividend	23,419,000	21,290,000
Provision for Tax on Proposed Equity Dividend	3,980,059	3,618,236
	<b>46,468,192</b>	44,302,381

**11 TANGIBLE ASSETS**

	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at April 1, 2013	Additions	Disposals	Balance as at March 31, 2014	Balance as at April 1, 2013	Charge for the year	Disposals	Balance as at March 31, 2013	Balance as at March 31, 2014
Buildings	116,349,908	428,701	-	116,778,609	17,655,809	3,804,103	-	98,694,099	95,318,697
Plant and Machineries	93,304,674	8,004,981	-	101,309,655	27,768,979	4,511,230	-	65,535,695	69,029,446
Furniture, Fixtures	14,064,393	586,823	-	14,651,216	6,623,954	730,047	-	7,440,439	7,297,215
Vehicles	15,981,058	-	2,576,677	13,404,381	7,535,935	1,287,379	1,791,111	8,445,123	6,372,178
Computers	14,078,026	446,780	-	14,524,806	9,933,967	1,098,689	-	4,144,059	3,492,150
Office Equipment	8,622,465	375,690	55,445	8,942,710	4,062,520	326,691	14,046	4,559,945	4,567,545
Patterns	47,455	22,050	-	69,505	20,527	5,531	-	26,928	43,447
Electrical Installation	14,211,950	1,043,238	-	15,255,188	5,657,369	585,603	-	8,554,581	9,012,216
Capital Work-In-Progress	276,659,929	10,908,263	2,632,122	284,936,070	79,259,060	12,349,273	1,805,157	197,400,869	195,132,894
<b>GRAND TOTAL</b>	<b>276,659,929</b>	<b>10,908,263</b>	<b>2,632,122</b>	<b>284,936,070</b>	<b>79,259,060</b>	<b>12,349,273</b>	<b>1,805,157</b>	<b>197,400,869</b>	<b>195,132,894</b>
<i>Previous Year's Figures</i>	<i>255,231,016</i>	<i>87,453,514</i>	<i>66,024,601</i>	<i>276,659,929</i>	<i>66,290,147</i>	<i>13,321,675</i>	<i>352,762</i>	<i>188,940,869</i>	<i>197,400,869</i>

**12 INTANGIBLE ASSETS**

	Gross Block			Accumulated Amortisation			Net Block		
	Balance as at April 1, 2013	Additions	Disposals	Balance as at March 31, 2014	Balance as at April 1, 2013	Charge for the year	Disposals	Balance as at March 31, 2013	Balance as at March 31, 2014
Computer software	6,484,150	2,350,027	-	8,834,177	4,586,674	1,178,409	-	1,897,476	3,069,094
<b>Total</b>	<b>6,484,150</b>	<b>2,350,027</b>	<b>-</b>	<b>8,834,177</b>	<b>4,586,674</b>	<b>1,178,409</b>	<b>-</b>	<b>1,897,476</b>	<b>3,069,094</b>
Intangible Assets under Development	1,469,750	-	-	1,469,750	-	-	-	1,469,750	1,469,750
<b>GRAND TOTAL</b>	<b>7,953,900</b>	<b>2,350,027</b>	<b>-</b>	<b>10,303,927</b>	<b>4,586,674</b>	<b>1,178,409</b>	<b>-</b>	<b>3,367,226</b>	<b>4,538,844</b>
<i>Previous Year's Figures</i>	<i>7,417,873</i>	<i>586,027</i>	<i>-</i>	<i>7,953,900</i>	<i>3,616,056</i>	<i>970,618</i>	<i>-</i>	<i>3,801,817</i>	<i>3,367,226</i>

		AS AT 31/03/2014 ₹	AS AT 31/03/2013 ₹
<b>13</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	<b>Capital Advances</b> - Unsecured, considered good (A)	<b>39,000,000</b>	39,000,000
	<b>Security deposit against Property</b> - Secured, considered good	<b>5,200,000</b>	5,200,000
	<b>Other deposits</b> - Secured, considered good	<b>3,195,492</b>	3,220,992
	<b>(B)</b>	<b>8,395,492</b>	8,420,992
	<b>Other Loans and Advances</b>		
	Advance Income Tax (Net of Provision)	<b>1,573,539</b>	1,115,158
	Gratuity (Net of Provision)	<b>2,310,639</b>	675,689
	Loans to employees	<b>808,189</b>	567,380
	<b>(C)</b>	<b>4,692,367</b>	2,358,227
	<b>Total (A + B + C)</b>	<b>52,087,859</b>	49,779,219

		March 31, 2014		March 31, 2013	
		Nos.	₹	Nos.	₹
<b>14</b>	<b>CURRENT INVESTMENTS</b>				
	<b>(at lower of Cost or Market Value)</b>				
	<b>Mutual Funds (Quoted)</b>				
	<b>Units of ₹ 10 Each , unless otherwise specified</b>				
	ICICI Prudential Income Fund	0.000	-	541298.358	20,000,000
	ICICI Prudential Short Term Fund	0.000	-	836225.279	20,000,000
	Kotak Bond Fund	0.000	-	591833.292	20,000,000
	Reliance Monthly Income Plan- GR. Plan	0.000	-	475709.057	10,086,867
	HDFC Equity Fund- Dividend Option- Reinvestment Plan	0.000	-	195778.501	7,359,118
	Reliance Small Cap Fund - Growth Plan	0.000	-	250000.000	2,280,075
	HDFC Income Fund	0.000	-	1360685.994	15,276,286
	HDFC MidCap Opportunities Fund - Dividend Option	0.000	-	126094.002	1,825,841
	Morgan Stanley ACE Fund- Growth Plan	0.000	-	703201.140	9,576,896
	Morgan Stanley Active Bond Fund- Growth Option	0.000	-	831718.413	10,000,000
	Morgan Stanley Active Bond Fund- Dividend Option	0.000	-	1301402.517	15,241,815
	Morgan Stanley Short Term Bond Fund	1511921.501	20,000,000	1511921.501	20,000,000
	Reliance Income Fund	0.000	-	878580.214	9,993,938
	Pramerica Dynamic Monthly Income Fund Growth Option	0.000	-	500000.000	5,000,000
	ICICI Prudential Dynamic Plan- Growth	0.000	-	93112.934	9,881,759
	Franklin Templeton India Dynamic PE Ratio Fund	0.000	-	291762.652	11,500,000
	Kotak FMP Series 145 Growth	2500000.000	25,000,000	0.000	-
	Birla Sunlife Income Plus-Growth	366228.721	19,787,448	0.000	-
	BNP Paribas Bond Fund- Subscription	1153526.716	15,000,000	0.000	-
	BNP Paribas Fixed Term Fund Series 26	2000000.000	20,000,000	0.000	-
	BNP Paribas Medium Term Income Fund	2000000.000	20,000,000	0.000	-
	BNP Paribas Flexi Debt Fund Growth	243989.323	5,000,000	0.000	-
	DSP Black Rock Income Opportunities Fund	1562209.608	30,000,000	0.000	-
	ICICI Prudential Ultra Short Term Fund- Growth	2355823.536	30,000,000	0.000	-
	Kotak Income Opportunities Fund	790301.421	10,000,000	0.000	-
	Pramerica Credit Opportunities Fund	4125.243	5,000,000	0.000	-
	Reliance Regular Savings Fund Debt	1859588.659	30,000,000	0.000	-
	Religare Invesco MF- Collection A/c	4766.945	5,000,000	0.000	-
	Templeton Short Term Income Plan	8357.270	20,000,000	0.000	-
	Templeton Ultra Short Bond Fund-Growth	2609163.524	40,693,558	0.000	-
	<b>TOTAL</b>		<b>295,481,006</b>		<b>188,022,595</b>

	March 31, 2014		March 31, 2013	
	Nos.	₹	Nos.	₹
<b>(b) Equity shares</b>				
Chartered Capital and Investment Limited (Quoted)	45732	1,627,749	45732	1,627,749
Bombay Mercantile Co-Op Banks Ltd (Unquoted)	100	3,000	100	3,000
		1,630,749		1,630,749
<b>TOTAL (A+B)</b>		297,111,755		189,653,344
	March 31, 2014		March 31, 2013	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Aggregate Value of Quoted Investment	297,108,755	311,065,110	189,650,344	196,181,026
Aggregate Value of Unquoted Investment	3,000	-	3,000	-
	297,111,755	311,065,110	189,653,344	196,181,026
	AS AT 31/03/2014 ₹		AS AT 31/03/2013 ₹	
<b>15 INVENTORIES</b>				
<b>[Valued at lower of cost and net realisable value]</b>				
Raw Materials and Packing Materials -Engineering	98,807,974		85,338,576	
Raw Materials and Packing Materials - Food division	17,493,254		11,875,939	
Semi Finished Goods- Engineering	99,621,052		34,678,964	
Semi Finished Goods- Food division	309,582		108,086	
Finished Goods- Engineering	31,253,542		27,811,904	
Stores and Spares -Engineering	2,643,775		2,542,635	
	<b>250,129,179</b>		<b>162,356,104</b>	
<b>16 TRADE RECEIVABLES</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good (A)	20,900,512		29,638,428	
<b>Other receivables</b>				
Dues from Related Parties (Note 33)	25,905,722		77,531,877	
Unsecured, considered good -other debtors	173,077,907		134,779,331	
<b>(B)</b>	<b>198,983,629</b>		<b>212,311,208</b>	
<b>TOTAL (A+B)</b>	<b>219,884,141</b>		<b>241,949,636</b>	
<b>17 CASH AND CASH EQUIVALENTS - CURRENT</b>				
Bank Balances with Schedule Banks:				
On Current Accounts	16,821,054		18,165,644	
Balances in Dividend Accounts	1,387,551		1,152,020	
EEFC account	7,419,210		20,880,191	
Fixed Deposits with banks (against bank Gurantee)	30,821,676		17,907,296	
Cash on Hand	500,416		748,575	
	<b>56,949,907</b>		<b>58,853,726</b>	

	AS AT 31/03/2014 ₹	AS AT 31/03/2013 ₹
<b>18 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Advances recoverable in Cash or Kind</b>		
Advance to Suppliers- Related Parties (Note 33)	-	557,751
Advance to Suppliers-unsecured considered good	<b>4,302,519</b>	3,865,884
Advance to Suppliers-unsecured considered good (A)	<b>4,302,519</b>	4,423,635
<b>Other Loans and Advances</b>		
Prepaid expenses	<b>3,166,822</b>	3,369,114
Loans to employees	<b>512,370</b>	843,094
Advance to Employees	-	1,677,585
Balances with Statutory Authorities	<b>54,100,035</b>	35,003,779
Total - other loans & Advances (B)	<b>57,779,226</b>	40,893,572
<b>Total (A + B)</b>	<b>62,081,745</b>	45,317,207
<b>19 OTHER CURRENT ASSETS</b>		
<b>Others</b>		
Foreign Currency Receivable	<b>23,384,414</b>	7,591,406
Interest accrued on Deposits	<b>2,642,025</b>	1,641,298
	<b>26,026,439</b>	9,232,704
	<b>2013 - 14</b>	<b>2012 - 13</b>
	₹	₹
<b>20 REVENUE FROM OPERATIONS</b>		
Sale of Goods		
Domestic	<b>778,989,063</b>	900,282,367
Exports	<b>308,751,057</b>	381,841,481
Sale of Services		
Domestic		
Consultancy Income	<b>500,000</b>	3,337,389
Equipment Repairs income	<b>4,436,075</b>	4,025,901
Exports		
Consultancy Income	-	502,772
Equipment Repairs income	<b>924,771</b>	864,948
Other Operating revenues		
Packing Charges Income	<b>3,134,848</b>	3,667,972
Export incentive income	<b>3,668,716</b>	5,653,016
Sale of Scrap	<b>5,263,627</b>	6,899,946
Other Income -Miscellaneous	<b>592,439</b>	2,638,949
Income from cancellation of order	<b>13,651,714</b>	-
<b>Revenue from Operations (Gross)</b>	<b>1,119,912,310</b>	1,309,714,741
Less: Excise Duty *	<b>90,001,598</b>	99,771,289
<b>Revenue from Operations (Net)</b>	<b>1,029,910,712</b>	1,209,943,452
* Excise Duty on Sales amounting to ₹ 900.02 lacs (March 31, 2013: ₹ 997.71 lacs) has been reduced from sales in Statement of Profit and Loss. Under the head of Excise & Customs duty amounting to ₹ 11.76 lacs (March 31, 2013: (₹ 3.22 lacs) has been considered as manufacturing expense in Note 24 of financial statements.		

	2013 - 14 ₹	2012 - 13 ₹
<b>Sale of Finished Goods</b>		
Vacuum Systems	448,459,349	591,982,533
Heaters	25,581,000	61,185,000
Vacuum Pumps	37,215,949	31,181,272
Pollution Control Equipments	3,856,290	12,945,922
Chill Vactor	2,694,000	1,065,000
Rotajectors	7,406,640	5,906,728
Evaporators	298,216,943	284,882,800
Thermo Compressors	18,325,577	34,277,083
B Cool (Food Division)	106,265,878	85,222,594
Others (Including Spares)	49,716,896	73,703,627
	<b>997,738,522</b>	<b>1,182,352,559</b>
<b>21 OTHER INCOME</b>		
<b>Interest income</b>		
From current Investment-Bank	2,076,019	1,869,747
From Others	328,318	641,657
<b>Dividend Income</b>		
From Current Investments	811,382	6,575,057
<b>Forward</b>		
From Current Investments	11,209,748	789,548
<b>Other Non-operating Income -net of expenses directly attributable to</b>		
Apprentice Stipend Income	255,546	301,645
Exchange Differences (Net)	5,663,731	5,331,349
Profit on sale of Fixed Assets (Net)	-	19,438
Premium income on forward contract	453,156	-
	<b>20,797,901</b>	<b>15,528,441</b>
<b>22 COST OF RAW MATERIALS &amp; PACKING MATERIALS CONSUMED</b>		
Inventory at the beginning of the Year	99,757,150	99,754,980
Add: Purchases	650,350,075	642,102,432
	<b>750,107,225</b>	<b>741,857,412</b>
Less: Inventory at the end of the Year	118,945,003	99,757,150
<b>Cost of Raw Materials and Packing Materials Consumed</b>	<b>631,162,222</b>	<b>642,100,262</b>

	2013 - 14 ₹	2012 - 13 ₹
<b>Consumption of Raw Materials</b>		
<b>Engineering Division</b>		
(a) Round Bar	14,002,031	14,925,035
(b) Pipes & Tubes	118,265,802	131,253,905
(c) Plates	114,860,902	166,131,900
(d) Profiles & Circles	36,400,404	37,124,381
(e) Flanges	28,965,917	37,304,000
(f) Stop Valves	29,842,011	46,333,293
(g) Instruments	74,869,331	77,827,104
(h) Bought Outs & Others	142,539,570	64,966,915
<b>Food Division</b>		
(i) Raw Material	45,378,607	41,265,241
(j) Packing Material	26,037,647	24,968,488
	<b>631,162,222</b>	<b>642,100,262</b>
<b>Inventories of Raw Materials</b>		
<b>Engineering Division</b>		
(a) Round Bar	5,870,511	4,505,779
(b) Pipes & Tubes	24,647,814	14,395,481
(c) Plates	26,954,038	27,946,634
(d) Profiles & Circles	964,726	1,564,074
(e) Flanges	6,526,851	4,137,623
(f) Stop Valves	9,700,896	10,728,367
(g) Instruments	7,886,213	8,811,333
(h) Bought Outs & Others	18,900,700	15,791,919
<b>Food Division</b>		
(i) Raw Material	8,263,349	3,368,423
(j) Packing Material	9,229,905	8,507,517
	<b>118,945,003</b>	<b>99,757,150</b>
<b>23 (INCREASE)/DECREASE IN FINISHED, TRADED &amp; WIP INVENTORIES</b>		
Inventory at the end of the Year		
Work-in-progress (*)	99,930,634	34,787,050
Finished Goods	31,253,542	27,811,904
<b>(A)</b>	<b>131,184,176</b>	<b>62,598,954</b>
Inventory at the beginning of the Year		
Work-in-progress (*)	34,787,050	66,255,898
Finished Goods	27,811,904	29,529,556
<b>(B)</b>	<b>62,598,954</b>	<b>95,785,454</b>
<b>TOTAL (B-A)</b>	<b>(68,585,222)</b>	<b>33,186,500</b>

\* As per Company's management, it is not possible to give the details of Inventories of Work-in-Progress and Finished goods as the Company is manufacturing customised engineering goods and every machine is unique based on demand of customer and hence, the same is difficult to bifurcate at any point of time given.



	2013 - 14 ₹	2012 - 13 ₹
<b>24 MANUFACTURING EXPENSES</b>		
Factory Consumables	11,112,347	11,292,303
Power and Fuel	8,371,962	8,336,543
Labour Charges	72,063,511	91,653,196
Inspection and Testing Charges	3,332,577	5,170,845
Design & Drawing charges	1,732,068	1,384,000
ASME Expenses	53,480	-
Excise & Custom duty	3,979,594	4,572,847
Inward Freight and Carting Charges	5,257,676	5,573,345
Lease & Rent	3,043,182	2,488,420
Repairs and Maintenance - Plant & Machineries	2,626,893	3,635,424
	<b>111,573,290</b>	<b>134,106,923</b>
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus *	103,277,225	93,541,407
Contribution to Provident and Other Fund	2,630,397	2,682,244
Gratuity Expense (Note 34)	2,347,050	1,582,197
Staff Welfare Expenses	2,554,784	2,363,290
	<b>110,809,456</b>	<b>100,169,138</b>
* includes provision for leave encashment (net) ₹ 1,573,886/- ( March 31, 2013; ₹ 2,95,878/-)		
<b>26 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Rent, Rates and Taxes	3,973,468	3,558,354
Lease & Rent vehicals	1,076,501	-
Insurance	8,932,943	7,922,190
Repairs and Maintenance		
Buildings	779,969	1,437,785
Others	956,127	987,057
Travelling and Conveyance	12,261,008	13,746,765
Communication Costs	2,240,213	2,320,477
Printing and Stationery	1,068,350	1,144,933
Legal and Professional Fees	9,896,503	13,823,540
Directors' Sitting Fees	368,000	338,000
Payment to Auditor (Refer details below)	963,500	893,500
Donations	125,100	1,663,200
Electricity Expense Office	603,956	623,119
Loss on Sale of Fixed Assets (Net)	301,964	-
Debit/ Credit balance written off	3,060,708	-
Other administrative expenses	13,246,109	10,256,447
	<b>59,854,417</b>	<b>58,715,367</b>

	2013 - 14 ₹	2012 - 13 ₹
<b>Payment to Auditor:</b>		
As Auditor:		
Audit Fee	600,000	550,000
Tax Audit Fee	200,000	150,000
As Cost Auditor:		
Cost Audit Fee	80,000	80,000
In Other Capacity:		
Other Services (Certification Fees)	83,500	113,500
	<b>963,500</b>	<b>893,500</b>
<b>27 SELLING AND MARKETING EXPENSES</b>		
Commission on Sales	8,918,008	17,751,952
Freight and Forwarding on Sales	15,245,396	22,579,722
Advertisements and Business Promotions	1,215,693	785,188
Equipment repairs Expense	4,388,245	1,257,143
Liquidated Damages	448,217	555,146
Sales Tax Expense	3,783,067	4,873,615
	<b>33,998,626</b>	<b>47,802,766</b>
<b>28 OTHER EXPENSES</b>		
Loss on revaluation of Mutual Fund	212,552	950,450
Loss on sale of short term investment	785,699	-
	<b>998,251</b>	<b>950,450</b>
<b>29 FINANCE COSTS</b>		
Loss on Forward Contracts	4,642,802	651,524
Interest	549,651	488,789
Bank Charges	4,237,344	5,230,835
	<b>9,429,797</b>	<b>6,371,148</b>
<b>30 COMMITMENTS</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance ₹ 1250 lacs (March 31, 2013: ₹ 1250 Lacs)]	125,000,000	125,000,000
	<b>125,000,000</b>	<b>125,000,000</b>
<b>31 CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
Company's Performance Guarantee are secured by way of hypothecation of Fixed Deposits in some cases. The Outstanding Performance Guarantee as on 31-03-2014 is ₹ 5.81 Crores (Previous year ₹ 6.10 Crores) and Outstanding Indemnity Bond for Performance as on 31-03-2014 are ₹ 29.59 Lacs (Previous year ₹ 49.24 Lacs).		
<b>32 EARNINGS PER SHARE (EPS)</b>		
<b>Net Profit as per Statement of Profit and Loss</b>	<b>102,534,227</b>	123,655,631
Number of Equity Shares Nos.	<b>4,258,000</b>	4,258,000
<b>Basic and Diluted Earning Per Share before Extraordinary items (in ₹)</b>	<b>24.08</b>	29.04
<b>Basic and Diluted Earning Per Share after Extraordinary items (in ₹)</b>	<b>24.08</b>	29.04
Nominal Value of Shares (in ₹)	<b>10.00</b>	10.00

### 33 INFORMATION IN RESPECT OF RELATED PARTIES

#### (i) List of Related Parties and their Relationships

As Per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

##### a) List of Related Parties : Nature of Relationship

- i) Ahura Controls Pvt. Ltd. : Mrs. Sheila S. Mody, a Director of the Company is also the Managing Director of Ahura Controls Private Limited.
- ii) Croll Reynolds Co. Inc. : Mr. Samuel W. Croll-III who is a Director of the company is also a Director of Croll-Reynolds Co. Inc. U.S.A.
- iii) Mr. Sorab R. Mody : Promoter and Managing Director of the Company.
- iv) Mr. Percy X. Avari : Key Management Personnel being the Whole-Time Director of the Company.
- v) Mrs. Sheila S. Mody : Director and Wife of Mr. Sorab R. Mody, Promoter and Managing Director of the Company.
- vi) Mrs. Shanaya Mody Khatua : Whole-Time Director and daughter of Mr. Sorab R. Mody, Promoter and Managing Director of the Company.
- vii) H.T.Engineering (Gujarat) Pvt. Ltd. : Mrs. M.N.Tarapore who is a Director of H.T.Engineering (Gujarat) Pvt. Ltd. is a Sister of Mr. Percy X. Avari who is a Whole-Time Director of the Company.
- viii) Tarapore Enterprise : Mr. M.N.Tarapore Husband of Mrs. M.N.Tarapore is proprietor of Tarapore Enterprise. Mrs. M.N.Tarapore is sister of Mr. Percy X. Avari who is a Whole-Time Director of the Company.
- ix) Mrs. Khushnum Percy Avari : Wife of Mr. Percy X. Avari, Whole-Time Director of the Company.

#### (ii) Related Party Transactions

Following are the transactions and amount outstanding with related parties as defined under Accounting Standard-18 on "Related Parties Disclosure" as defined under the Companies (Accounting Standards Rules), 2006 :

Particulars	Related Parties	
	2013 - 14 ₹	2012 - 13 ₹
<b>(a) Sale of Finished Goods</b>	<b>139,626,657</b>	219,734,279
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A</i>	139,626,657	219,734,279
<b>(b) Sitting Fees for Board Meetings</b>	<b>98,000</b>	88,000
<i>Mrs. Sheila S. Mody</i>	98,000	88,000
<b>(c) Labour Charges</b>	<b>11,310,267</b>	11,663,084
Tarapore Enterprise	9,297,906	10,113,652
<i>H.T. Engineering (Guj) Pvt. Ltd.</i>	2,012,361	1,549,432
<b>(d) Receiving of Materials and Services</b>	<b>24,415,504</b>	17,242,683
<i>H.T. Engineering (Guj) Pvt. Ltd.</i>	24,415,504	17,242,683

Particulars	Related Parties	
	2013 - 14 ₹	2012 - 13 ₹
<b>(e) Purchase of Capital Goods</b>	<b>635,029</b>	-
<i>H.T. Engineering (Guj) Pvt. Ltd.</i>	635,029	-
<b>(f) Other Income (Consultancy)</b>	-	502,772
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A.</i>	-	502,772
<b>(g) Other Income (Equipment Repairs)</b>	<b>794,236</b>	864,948
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A.</i>	794,236	864,948
<b>(h) Interest Paid</b>	-	165,000
Mr. Sorab R. Mody	-	165,000
<b>(i) Rent Paid</b>	<b>4,380,000</b>	3,667,500
Mr. Sorab R. Mody	4,380,000	3,667,500
<b>(j) Commission on Profit</b>	<b>6,860,959</b>	8,199,080
<i>Mrs. Shanaya Mody Khatua</i>	1,372,192	1,675,740
<i>Mr. Percy X. Avari</i>	1,372,192	1,675,740
Mr. Sorab R. Mody	4,116,575	4,847,600
<b>(k) Dividend Paid</b>	<b>9,710,410</b>	7,217,996
Mr. Sorab R. Mody	5,517,860	3,863,956
<i>Mr. Percy X. Avari</i>	226,025	180,820
<i>Mrs. Shanaya Mody Khatua</i>	2,128,110	1,702,488
<i>Mrs. Sheila S. Mody</i>	378,500	302,800
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A.</i>	1,447,500	1,158,000
<i>Mrs. Khushnum Percy Avari</i>	12,415	9,932
<b>(l) Remuneration Paid</b>	<b>10,657,200</b>	10,657,200
Mr. Sorab R. Mody	3,552,400	3,552,400
<i>Mr. Percy X. Avari</i>	3,552,400	3,552,400
<i>Mrs. Shanaya Mody Khatua</i>	3,552,400	3,552,400
<b>(iii) Balances at the end of the Year</b>		
<b>(a) Trade Receivables</b>	<b>25,905,722</b>	77,531,877
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A</i>	25,905,722	77,531,877
<b>(b) Trade Payables</b>	<b>6,088,076</b>	1,163,526
<i>H.T ENGINEERING(GUJ) PVT. LTD. -Material</i>	3,474,656	-
<i>H.T ENGINEERING(GUJ) PVT. LTD. -Labour charges</i>	201,538	65,504
<i>TARAPORE ENTERPRISE -Labour charges</i>	2,411,882	1,098,022
<b>(c) Advance to Suppliers</b>		
<i>H.T ENGINEERING(GUJ) PVT. LTD. -Material</i>	-	557,751

### 34 DETAILS OF EMPLOYEE BENEFITS

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan.

	Leave Pay		Gratuity	
	2013-2014 ₹	2012-2013 ₹	2013-2014 ₹	2012-2013 ₹
<b>STATEMENT OF PROFIT AND LOSS</b>				
<b>Net employee benefit expense (recognised in employee cost):</b>				
Current Service Cost	1,276,546	1,384,584	2,061,726	1,882,841
Interest Cost on Benefit Obligation	478,690	543,536	1,932,296	1,749,430
Expected Return on plan Assets	(652,511)	(535,792)	(2,386,998)	(1,880,432)
Past Service Cost	-	(43,959)	-	(389,786)
Net Actuarial (Gain) / Loss recognised in the year	(575,946)	(2,060,872)	740,027	220,144
<b>Net Benefit Expense</b>	<b>526,779</b>	<b>(712,503)</b>	<b>2,347,051</b>	<b>1,582,197</b>
<b>BALANCE SHEET</b>				
<b>Details of provision</b>				
Defined Benefit Obligation	7,471,247	7,051,401	30,318,120	25,133,731
Plan Asset / (Liability)	(688,073)	(848,852)	(2,310,639)	(675,690)
<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
Opening Defined Benefit Obligation	6,202,549	6,497,875	24,458,041	20,581,524
Current Service Cost	1,276,546	1,384,584	2,061,726	1,882,841
Interest Cost on Benefit Obligation	478,690	543,536	1,932,296	1,749,430
Past Service Cost	-	(43,959)	-	(389,786)
Benefits paid	(585,581)	(206,663)	(1,205,063)	-
Actuarial (Gains) / Losses on Obligation	(589,031)	(1,972,824)	760,481	634,032
<b>Closing Defined Benefit Obligation</b>	<b>6,783,173</b>	<b>6,202,549</b>	<b>28,007,481</b>	<b>24,458,041</b>

The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

The principle assumption used in determining Gratuity Obligation for the Company's plan are shown below:

	%	%	%	%
Discount Rate	9.10	8.10	9.10	8.10
Increase in compensation cost	5.50	5.00	5.50	5.00

Amounts for the Current Year and Previous Year are as follows:

Defined Benefit Obligation	6,783,173	6,202,549	28,007,481	24,458,041
Surplus / (Deficit)	(6,783,173)	(6,202,549)	(28,007,481)	(24,458,041)

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The leave pay is payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement an attaining superannuation age.

**35 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES**

	Currency Type	March 31, 2014		March 31, 2013	
		Foreign Currency Amount	Indian Currency Amount	Foreign Currency Amount	Indian Currency Amount
<b>Derivative Instruments</b>					
Forward Contract to sell US\$	USD	162,400	9,624,194	22,000	1,215,280
Forward Contract to sell GBP	GBP	126,100	13,199,132	73,500	6,376,126
		<b>288,500</b>	<b>22,823,326</b>	95,500	7,591,406

	March 31, 2014	March 31, 2013
<b>Unhedged Foreign Currency Exposures</b>		
Receivables	<b>69,384,389</b>	101,380,627
Advance From Customers	<b>9,277,357</b>	6,814,555
Advance to Suppliers	<b>1,849,799</b>	126,323
Balance in EEFC Bank Account	<b>7,419,210</b>	20,880,191
SBI PCFC Account	<b>39,425,469</b>	24,132,533
	<b>127,356,224</b>	153,334,229

**36 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006**

(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;

<b>13,173,382</b>	5,230,425
<b>13,173,382</b>	5,230,425

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

**37 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

Exports Sales earning	<b>302,737,958</b>	364,795,273
Other Income -Consultancy	-	502,772
Other Income - Miscellenious	-	1,025,115
Amount from cancellation of order	<b>13,651,714</b>	-
Equipment Repairs Income	<b>924,771</b>	864,948
	<b>317,314,443</b>	367,188,108

**38 VALUE OF IMPORTS ON CIF BASIS**

Raw and Packing Materials	<b>30,854,663</b>	29,401,615
Capital Goods	<b>73,918</b>	-
Others	<b>121,312</b>	1,276,700
	<b>31,049,893</b>	30,678,315



	2013 - 14 ₹	2012 - 13 ₹
<b>39 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)*</b>		
Travelling Expenses	1,646,785	1,580,349
Subscriptions	19,087	172,696
Equipment Repairs Expense	782,068	513,506
Consultancy Charges	1,206,654	-
Design & Drawing Charges	589,068	-
Rate Difference	285,443	-
Sales Promotion Expense	-	21,812
Registration Fees	486,327	284,033
Sales Commission Expense	525,823	717,958
Dividend	1,447,500	1,158,000
	<b>6,988,755</b>	<b>4,448,354</b>

\* Net of tax deducted at source, wherever applicable

#### 40 IMPORTED AND INDIGENEOUS MATERIALS CONSUMED

	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	% of Total Consumption		₹	₹
(i) <b>Raw Materials</b>				
(a) Imported	4.56	4.50	28,757,164	28,911,199
(b) Indigenous	95.44	95.50	602,405,058	613,189,063
	<b>100.00</b>	<b>100.00</b>	<b>631,162,222</b>	<b>642,100,262</b>

#### 41 OPERATING LEASE:

The Company has entered into operating lease arrangements for Factory Sheds and Office Buildings. Lease agreement on Operating Lease arrangements, debited to the Profit & Loss Account and future minimum lease payments in respect of non cancellable operating leases are summarized below:

	March 31, 2014	March 31, 2013
Lease Payment debited to the Profit & Loss Account (Net of Tax)	6,790,097	4,877,500
(i) Amounts due within one year from the date of balance-sheet	2,298,016	1,417,500
(ii) Amounts due later than one year and not later than five years from the date of balance-sheet	3,946,954	-

#### 42 RESEARCH & DEVELOPMENT:

The Company has incurred Research & development expense under following Heads:

	March 31, 2014	March 31, 2013
(i) Material Purchase	199,008	-
(ii) Employee Benefits	3,177,721	-
(iii) Consultancy Charges	612,563	-
(iv) Travelling & Conveyance exp.	308,541	-
(v) Design & Drawing Charges	324,000	-
(vi) Repairs & Maintenance (Plant & M/c)	101,953	-
(viii) Other Research & Development Exp.	29,424	-
	<b>4,753,210</b>	<b>-</b>

In the opinion of the Board of Directors, the aggregate value of Current Assets, Current Liabilities, Loans and Advances on its realization will not be less than the amount at which these are stated in the Balance Sheet. Balances are subject to confirmation, are included in Sundry Debtors, Sundry Creditors and Other Advances.

The previous year's figures have been regrouped wherever necessary to make them comparable with this year's figures.



#### 43 SEGMENT REPORTING:

In accordance with the Accounting Standard-17 (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India, the details are as under :

- i) The Company's operation predominantly relates to manufacture of Engineering Goods like Vacuum Products, Evaporators, pollution Control Equipments and also involved in the manufacturing of food products like food colour, various fruit jams & fruit mix powders etc.
- ii) The Secondary segment is geographical, determined and based on the location of the Customers. Customers are classified as Domestic and Overseas.
- iii) Fixed Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as allocation of assets and liabilities to segments is currently not practicable.

#### Primary segment Information:

Particulars	Engineering Products	Food Products	Total
Revenues	942,916,894	107,791,718	1,050,708,612
Identifiable Operating Expenses	686,945,001	88,780,999	775,726,000
Segmental Operating Income	255,971,893	19,010,719	<b>274,982,612</b>
Unallocable Finance Cost			9,429,797
Unallocable Expenses			117,756,647
Total Profit before Tax			<b>147,796,168</b>
Taxes			45,261,941
Net Profit for the Year			<b>102,534,227</b>

#### Secondary segment Information:

Particulars	Domestic	Overseas	Total
Revenues	740,006,129	310,702,483	1,050,708,612
Identifiable Operating Expenses	569,182,765	206,543,235	775,726,000
Segmental Operating Income	170,823,364	104,159,248	<b>274,982,612</b>
Unallocable Finance Cost			9,429,797
Unallocable Expenses			117,756,647
Total Profit before Tax			<b>147,796,168</b>
Taxes			45,261,941
Net Profit for the Year			<b>102,534,227</b>

As per our attached report of even date

**For APAJI AMIN & CO.,**  
Chartered Accountants

Firm Registration No. : 100513W

**Tehmul Sethna**  
Partner

Membership No.: 35476

Place : Ahmedabad

Date : 29/05/2014

For and on behalf of the Board of Directors of Mazda Limited

Sorab Mody  
Managing Director

Cyrus Bhagwagar  
Chief Financial Officer

Place : Ahmedabad

Date : 29/05/2014

Percy Avari  
Whole-Time Director

Nishith Kayasth  
Company Secretary

Mohib Khericha  
Director





## MAZDA LIMITED

CIN: L29120GJ1990PLC014293

Registered office: C/1-39/13/16, GIDC, Naroda, Ahmedabad- 382 330

Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio no/ Client Id:	
DP ID:	

I/ We, \_\_\_\_\_ being the member(s) of \_\_\_\_\_ shares of MAZDA LIMITED, hereby appoint

- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the company, to be held on Tuesday, 30<sup>th</sup> September, 2014 at 9:30. a.m at C/1-39/13/16 GIDC, Naroda, Ahmedabad- 382 330, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	Adoption of the financial statements of the company for the year ended 31 <sup>st</sup> March, 2014 and the reports of the Directors and Auditors thereon		
2.	Declaration of dividend on equity shares for the year ended on 31 <sup>st</sup> March, 2014		
3.	Re-appointment of Mrs. Sheila Mody, retiring by rotation		
4.	Appoint auditors and fix their remuneration		
5.	Appointment of Mr. Mohib Khericha as an Independent Director		
6.	Appointment of Mr. Nilesh Mankiwala, Additional Director as Independent Director		
7.	Appointment of Mr. Saurin Palkhiwala, Additional Director as Independent Director		
8.	Re-appointment of Mr. Sorab Mody, Managing Director and to fix his remuneration		
9.	Re-appointment of Mr. Percy Avari, Whole-Time Director and to fix his remuneration		
10.	Re-appointment of Mrs. Shanaya Mody Khatua, Whole-Time Director and to fix her remuneration		

Signed this \_\_\_\_\_ day of September, 2014

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
₹ 1/-  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





**MAZDA LIMITED**

CIN: L29120GJ1990PLC014293

**Registered office:** C/1-39/13/16, GIDC, Naroda, Ahmedabad- 382 330

**ATTENDANCE SLIP**

Folio No.: \_\_\_\_\_ DP ID: \_\_\_\_\_

Client ID: \_\_\_\_\_ No. of shares: \_\_\_\_\_

\_\_\_\_\_  
(Name of Member/ Proxy/ Representative in BLOCK letters)

I/We hereby record my/our presence at the 24<sup>th</sup> ANNUAL GENERAL MEETING of the company held at the Registered Office at C/1-39/13/16, GIDC, Naroda, Ahmedabad- 382 330, on Tuesday, 30<sup>th</sup> September, 2014.

\_\_\_\_\_  
Member's/ Proxy's Signature  
(To be signed at the time of handling over this slip)

**NOTES:**

1. Members/ Proxy holders are requested to bring their copies of Annual Report with them at the Meeting.
2. Please carry with you this attendance slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.
3. This attendance slip is valid only if equity shares are held on the date of the Meeting.







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To,

*If undelivered, please return to:*

**MAZDA LIMITED**

**Mazda House, 650/1, Panchwati 2<sup>nd</sup> Lane, Ambawadi, Ahmedabad - 380 006.**